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AN EXCLUSIVE S&MM FEATURE
Selling Expense Index
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1981 SURVEY OF SELLING COSTS

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1981 Survey of Selling Costs

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S&MM's NINTH ANNUAL SURVEY OF SELLING COSTS

How the Survey can boost bottom-line results

By THAYER C. TAYLOR
Editorial Director
Survey of Selling Costs

If field salespeople in the San Jose, Minneapolis-St. Paul, Birmingham, Phoenix, or Charleston, SC, metro markets turned in whopping expense reports last year, they probably had a good reason for it. Sales & Marketing Management's *1981 Survey of Selling Costs* points out that per diem selling expenses (meals and lodging) skyrocketed more than 20% in those markets. In fact, an additional two markets—San Diego and Hartford-New Britain-Bristol, CT—experienced a hefty 20% jump in per diem costs.

This was a dramatic new development in field selling costs, and, at the same time, typical of the trend information unearthed by the *Survey* that gives marketers a valuable perspective on their selling costs. Ever since S&MM began tracking metro area field selling costs in 1973, until last year, only one market, Los Angeles-Long Beach, ever saw selling costs climb as high as 20% in one year.

While the statistics in Section II: Metro Sales Costs (page 39) are widely used as a check on salespeople's expense reports, the *Survey*'s usefulness extends far deeper and broader into the decision-making areas of sales management. The several statistical sections enable the marketer to:

- Get a truer picture of the cost of sales in local markets.
- Compare his cost management with his industry peers.
- Pick the most economical site for sales meetings.
- Budget his sales-support programs more reliably.

A new yardstick introduced in this *Survey*, the Selling Expense Index (SEI), suggests that marketers may be losing control over the inflationary runup in selling costs. The SEI is based on PHH Group's data base of field selling expenses incurred by its clients (see page 10). As a complement to S&MM's popular Selling Costs Index (SCI), which measures the *prevailing rates* of facilities used by field salespeople, the SEI reflects what is *actually spent* on the same factors. To make the two indexes comparable, S&MM converted PHH Group's data to a 1972 base year.

Ordinarily, the two indexes should move at somewhat different rates as marketers take defensive actions to offset the rate increases suggested by the SCI. In 1979, for example, the SCI shot up 15.7% but the SEI rose only 5.5%. Last year the two moved in tandem: the SCI up 21.8%, the SEI 19.6%.

When marketing executives map strategy for exploiting the sales potential of local markets, they amass all the data they can find on demographic and socio-economic characteristics (such as are contained in the *Survey of Buying Power*) to

1981 SCI forecast: A glimmer of hope

Marketers reeling from last year's explosive 21.8% jump in the Selling Costs Index (SCI) can expect some relief this year. S&MM projects a 14.7% rise in the cost of putting a salesperson on the road for a week. Although this suggests an easing from last year's bruising cost pressures, the SCI will still post its third biggest rise since S&MM began tracking field selling costs in 1972. This underscores the need for more efficent cost management than marketers achieved in 1980.

Restaurant meal tabs are expected to rise 10.0% by the National Restaurant Assn., 10.4% by the U.S. Dept. of Agriculture. S&MM looks for a 10.5% increase since those two sources as a rule underestimate food-price inflation.

Lodging costs will ease somewhat to a 13% rise, vs. last year's 16.5%. A 10%–12% rise in room rates was predicted by speakers at the U.S. Travel Data Center's 1980 Travel Outlook Forum.

Auto rentals will be the chief culprit again as transportation costs are expected to surge 18%. The kicker here will be gasoline prices, which are expected to climb in the wake of complete decontrol that went into effect this month. Still, it's a sharp comedown from last year's 32.7% jump.

S&MM's projection of 1981 Selling Costs Index (SCI)

	Average Weekly Cost 1980	1981	*% Increase* 1980-81
Lodging	$183.25	$207.05	13.0%
Food & drink	131.00	144.75	10.5
Auto rental	270.00	318.60	18.0
Total	**$584.25**	**$670.40**	**14.7%**
Selling Costs Index (1972 = 100)	**221.3**	**253.9**	**14.7%**

Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*
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evaluate markets. Too often, they overlook the cost of achieving sales goals in local markets.

As Section II makes clear, those costs can vary as significantly as demographic traits. For example, per diem expenses in San Francisco-Oakland are almost twice as high as in Akron, OH—$92.30 vs. $46.50. Such information enables the executive to make a fairer assessment as to whether salespeople are spending too much.

Cost differences such as these must be considered when expansion into new markets or test marketing a new product is planned. Balancing local selling costs against targeted dollar volume of sales will clue the sales executive as to the relative "profitability" of individual local markets.

Yardsticks for evaluating cost management programs are in Section III: Compensation (page 55). A food marketer whose selling expenses last year were more than 3.2% of sales will learn that his performance was poorer than the industry average, but the marketer of heavy machinery with a cost ratio under 4.2% will be assured he did better than his competitors.

Sales meetings, an important element of the marketing communications mix, are under closer cost scrutiny these days because of escalating rates for facilities and travel. By using the data in Section

(continued on page 12)

S&MM's SCI

The Selling Costs Index (SCI) is calculated by 'costing out' a typical five-day week for a salesperson, based on the 80 metropolitan markets profiled in Section II (page 39). Sales expenses are computed for the three basic costs: meals (including two drinks a day), single-room lodging, and auto rental plus gasoline for 250 miles. Taxes and tips are not included because they vary widely among markets (see Table II-3, page 53). Also excluded are intercity travel costs—air, rail, and bus—because they don't occur as often as the SCI cost factors.

An 80-market average is computed for each SCI component, and the three resultant figures are added for the overall U.S. total.

In 1980, a typical week cost the salesperson $584.25. The base year for the SCI is 1972, when a typical week's costs came to $264.00. The SCI is derived by dividing the current year's dollar total by the base year's equivalent.

S&MM's U.S. Selling Costs Index (SCI) 1972 = 100

Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*
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Changes in the SCI

S&MM has recalculated its Selling Costs Index in order to make it more useful to marketers as well as promote greater consistency in its methodology. Firstly, the base year was changed from 1971 to 1972 because that is the first year for which S&MM presented metropolitan area data. This will help those marketers who prefer to build a SCI for the markets they sell in. Also, 1972 is the base year used by the federal government's national income and accounts system. Thus marketers can compare changes in the SCI with those leading government indicators they use in their planning. Also, per diem meal and drink costs were recalculated. As a result, the data found in this *Survey*'s bar graph may not be comparable with those in previous *Surveys*, but they will, in the long term, be far more useful.

AN EXCLUSIVE S&MM FEATURE

Selling Expense Index

As a new service this year, the *Survey of Selling Costs* presents a Selling Expense Index based upon the PHH Group's computerized data base of what is actually spent in field selling. Each month, PHH Group receives expense reports from client companies covering more than 2,000 salespeople, according to H. Robert Heid, director of the Travel Expense Control service. The data are summarized into average dollar-per-traveller month expenses.

The Selling Expense Index (SEI), based upon PHH's monthly averages, pertains to *actual spending* by field sales personnel, whereas S&MM's Selling Costs Index (SCI) pertains to the prevailing average per diem rates of the expense categories at the time S&MM makes its survey in the fourth quarter. In other words, the SCI presents a yardstick of *expenses that could be incurred* in field selling. Companies, of course, can take defensive actions, such as emphasizing economy facilities, arranging for corporate discounts, or taking advantage of vendors' special business offers.

In developing the SEI, S&MM extracted from the PHH *Travel Expense Management Report* cost data covering meals, lodging, public transportation, car rentals, and entertainment, because they also occur in the SCI. (PHH reports include other categories, such as telephone and telegraph, postage and supplies.) S&MM converted the PHH expense data to a 1972 base period so that the SEI will be directly comparable to the SCI.

¹ For 12 months ending Nov. 1980.
Source: PHH Group, Travel Expense Control Service, *Travel Expense Management Report.*

SURVEY HIGHLIGHT

S&MM's regional and national selling costs averages and per diem indexes: 1980

Region	*Lodging*	*Meals*	*Per Diem Total*	*% Increase 1979–1980*	*Per Diem Index*	*Cost Of Two Drinks*
Northeast	$38.10	B $ 4.00 L 5.70 D 13.60	$61.40	+12.5%	104	$3.75
Midwest	33.95	B 3.70 L 5.00 D 12.40	55.05	12.9	93	3.50
South	36.55	B 4.00 L 5.35 D 13.15	59.05	15.1	100	4.00
West	39.30	B 4.25 L 5.75 D 13.00	62.30	15.6	106	3.85
U.S.	**$36.65**	**B $ 3.95** **L $ 5.40** **D $13.00**	**$59.00**	**+14.0%**	**100**	**$3.75**

Note: B—breakfast, L—lunch, D—dinner. Per diem index is the ratio between a region's per diem total and the U.S. per diem total.
Note: Per cent increase in per diem totals for Northeast, Midwest, and South are based on revised 1979 totals. The revised totals: Northeast, $54.60; Midwest, $48.75; and South, $51.30.
Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.* Reproduction strictly prohibited.

IV: Sales Meetings & Sales Training (page 65), the marketer can make a cost comparison of different meeting locations. Such an analysis will reveal that, on a per-participant basis, meeting costs in the Midwest, say, will range from $66.35 in Indianapolis to $94.65 in Chicago. For a three-day meeting involving 50 salespeople, that adds up to a difference of over $4,000—money that can be invested in another marketing operation.

Sales training is another critical cost area that frustrates planning because of the dearth of hard data. Each year, Section IV updates sales training costs. Last year, it took $20,093 to prepare a sales rep to sell industrial products, $13,625 for consumer products, and $12,772 for services. Such information tells marketers whether they are spending too little or too much on training their sales personnel.

Marketers who plan less than an 8% increase in advertising spending this year will actually be buying less time and space than they used last year. That's because Section V: Sales Support (page 87) reveals that advertising rates will climb 8% in 1980, hence it will

(continued on page 19)

SURVEY HIGHLIGHTS

How regional per diem costs are changing

Region	1980 Avg. Cost	Percent Increase 1979–80	Percent Increase 1978–79
Northeast			
Meals	$23.25	9.7%	12.1%
Lodging	38.15	14.2	12.6
Total	61.40	12.5	11.3
Midwest			
Meals	$21.10	9.3	9.0
Lodging	33.95	15.3	12.6
Total	55.05	12.9	11.2
South			
Meals	22.50	10.8	8.8
Lodging	36.55	17.9	13.6
Total	59.05	15.1	11.6
West			
Meals	23.00	11.4	8.4
Lodging	39.30	18.2	13.5
Total	62.30	15.6	11.5
U.S.			
Meals	**$22.35**	**10.1%**	**9.4%**
Lodging	**36.65**	**16.5**	**12.9**
Total	**59.00**	**14.0**	**11.5**

Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*
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Regional per diem Selling Costs Indexes

Region	1980 Per Diem Costs	1979 Per Diem Costs	% Increase 1979–80	Selling Costs Index (1972=100)
Northeast	$124.20	$102.90	20.7%	266.2
Midwest	111.25	91.70	21.3	255.7
South	116.85	94.65	23.5	265.3
West	116.70	96.15	21.4	252.6
U.S.	**$116.15**	**$ 95.90**	**21.1**	**259.0**

Note: Data for 1979 have been recalculated, therefore are different from those appearing in the *1980 Survey*.
Note: Per Diem Costs is the total for meals, lodging, two drinks, and car rental (including gas for 50 miles).

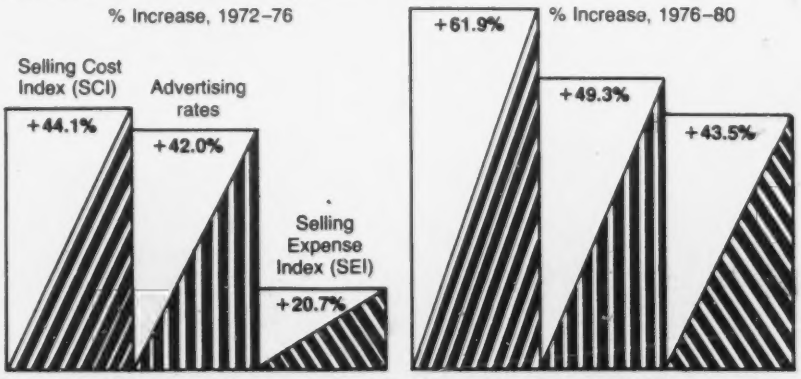
Smaller cost increases for sales meetings

Items Billed At Group Rate	Average Cost All Cities 1980	Percent Increase 1979–80	Percent Increase 1978–79
Lodging			
Single room—low	$51.50	17%	19%
Single room—high	62.85	23	16
Double room—low	60.70	17	17
Double room—high	72.75	20	15
Meals			
Breakfast	7.15	10	12
Lunch	10.80	12	15
Dinner	16.65	13	15

Are marketers losing control of selling costs?

Based upon *Survey of Selling Costs* data, it appears that marketers enjoyed considerably less success in controlling field selling costs in the 1976–80 period than in the prior 1972–76 period. This is strongly indicated when you compare what happened, in the two time frames, to the Selling Cost Index (SCI), which measures the *prevailing rates* of the factors involved in field selling (meals, lodging, and transportation), and to the Selling Expense Index (SEI), which tracks what was *actually spent* on those categories. The rate of increase in the SCI was up 17 points in the latter period, but the SEI increase more than doubled, bringing the percent gain in actual outlays much closer to the rise in cost levels.

The moral: Marketers will have to become significantly more efficient in managing selling costs in the 1980s, given the expected double-digit inflationary environment of the next few years. Furthermore, they will have to base their control programs more on the kind of hard statistics presented in the *Survey* and less on the rule-of-thumb judgments made too often in the past.



Sources: *Sales & Marketing Management's 1981 Survey of Selling Costs;* PHH Group, *Travel Expense Control Service;* Robert Coen, senior vice president, McCann-Erickson.

SURVEY HIGHLIGHTS

How sales meetings costs are changing

City	Per Person Per Diem 1980	% Annual Increase 1973–1980	Index 1980 U.S.=100
EAST			
Boston	$104.45	13.0%	114
New York	116.70	10.9	127
Philadelphia	91.25	9.7	100
Pittsburgh	86.45	11.9	94
MIDWEST			
Chicago	94.65	12.8	103
Cleveland	81.75	12.9	89
Detroit	85.10	12.2	93
Indianapolis	66.35	14.6	72
Milwaukee	75.15	15.5	82
Minneapolis	71.95	9.9	79
St. Louis	86.75	13.3	95
SOUTH			
Atlanta	84.80	14.1*	93
Dallas	92.65	16.7	101
Houston	94.15	15.8	103
Miami	105.75	9.3	115
New Orleans	91.90	19.9	100
Washington, DC	114.40	16.1	125
WEST			
Los Angeles	91.40	13.9	100
San Diego	85.70	13.6	94
San Francisco	109.80	14.6	120
U.S.	**$ 91.56**	**13.2**	100

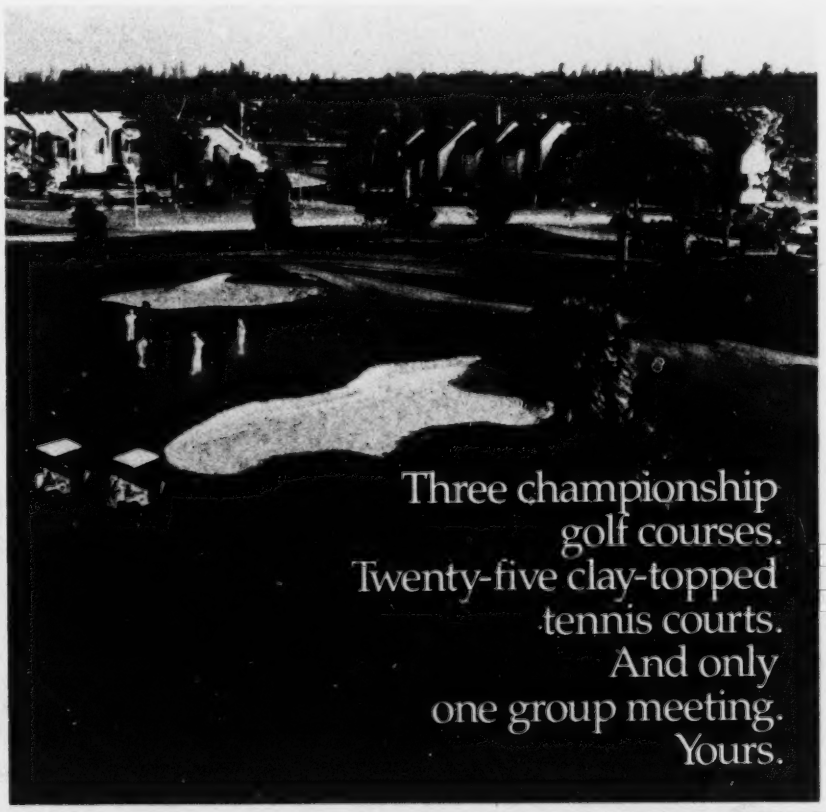
*From 1974 to 1980.
Note: Based on per-person cost of one night lodging at low double-room rate, three meals, two coffee breaks, two-hour reception, and meeting-room rental for 25.
Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*

Where sales costs are rising the fastest

Metro Area	Per Diem % Increase 1979–80	Annual % Increase 1972–80
San Jose	22.2%	11.7%
Minneapolis-St. Paul	22.0	11.5
Birmingham	21.1	10.3
Phoenix	21.1	10.5
Charleston, SC	21.0	12.6
Hartford-New Britain-Bristol, CT	20.1	10.5
San Diego	20.1	11.1
San Francisco-Oakland	19.6	11.7
Newark, NJ	19.4	11.7
Charlotte-Gastonia, NC	19.2	11.1
Providence-Warwick-Pawtucket	19.2	10.9
U.S.	**14.0%**	**10.1%**

Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*

The Sunbelt, for all its other attractions to marketers, is becoming an expensive place in which to sell. Seven of the 10 markets with the fastest increase in per diem expenses last year are located in the South or West. Two such markets, Birmingham and Phoenix, saw costs shoot up twice as fast last year as they have, on an annualized basis, in the 1972–80 period. Also worth noting: None of the markets whose costs rose fastest last year are strangers to the phenomenon. All of them have seen per diem costs rise more rapidly than the long term U.S. average.



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take that much more just to achieve last year's levels.

A changing incentive picture will develop in 1981, and Section V delineates that shift. In contrast to what happened last year, marketers will increase their spending on sales incentives 15.1%, faster than on dealer incentives, 9.6%. And within the incentive mix, merchandise will get a bigger play than travel.

Exploding energy costs have drawn more attention to the cost ramifications of the type of car salespeople use in getting around to prospects and customers. Yesterday, status-tinged accessories loomed high; today, economy of operation is the focal point. Section VI: Transportation (page 97) points out that fixed and operating costs of a 4-cylinder car will come to $3,862 this year, vs. $4,287 for a 6-cylinder vehicle, and $4,683 for an 8-cylinder set of wheels.

Of course, cheapest is not always the best way to go in effective cost management. Sales force morale and marketing objectives are two of the imponderables that must be considered in a value judgment of cost alternatives. However, by providing a broad array of sales costs parameters in the many functional areas that involve managerial decisions, the *Survey* gives the marketer hard facts to use as a starting point for informed decisions. With the *Survey*'s cost information, the marketer can sharpen his budget planning, monitor his ongoing expenses, and arrive at a happier bottom-line result in the end. Enjoy.

CANADA

Back on a double-digit track

Canadian marketers who basked in 1979's very modest rise in basic field selling costs, 4.8%, were back in the world of double-digit inflation in 1980. The Canadian Selling Costs Index (SCI) surged upwards 10.4% in 1980, more than twice as fast as in the previous year. It marked the second biggest annual increment since S&MM began tracking Canadian selling costs in 1974. The Canadian SCI reflects a salesperson's typical five-day week in the country's six major metropolitan markets. (The methodology for calculating the SCI is explained in the article on the U.S. SCI, page 9.)

Lodging costs, just as they did in the U.S., led the parade in 1980, posting an 11.8% increase. Meal tabs for eating out also rose briskly, 10.3%. Auto rentals did a complete turnabout, rising 8.9% in 1980 after dipping 0.1% the year before.

Increases in Canadian field selling costs*

	1980	*1979*	*% Increase*
Food & drink	$161.25	$146.25	10.3%
Auto rental	177.70	163.25	8.9
Lodging	225.25	201.50	11.8
Total	**$564.20**	**$511.00**	**10.4%**

*Canadian dollars.
Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*

S&MM's Canadian Selling Costs Index (SCI)

1974 = 100

	1974	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*
SCI	100.0	110.1	120.5	131.1	145.6	152.6	168.5
Meals	$ 97.15	$110.50	$117.90	$125.75	$135.50	$146.25	$161.25
Lodging	125.65	142.15	160.80	166.60	187.25	201.50	225.25
Auto rental	112.10	116.05	124.75	146.80	164.90	163.25	177.70
Total	**$334.90**	**$368.70**	**$403.45**	**$439.15**	**$487.65**	**$511.00**	**$564.20**

Note: Canadian dollars.
Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*
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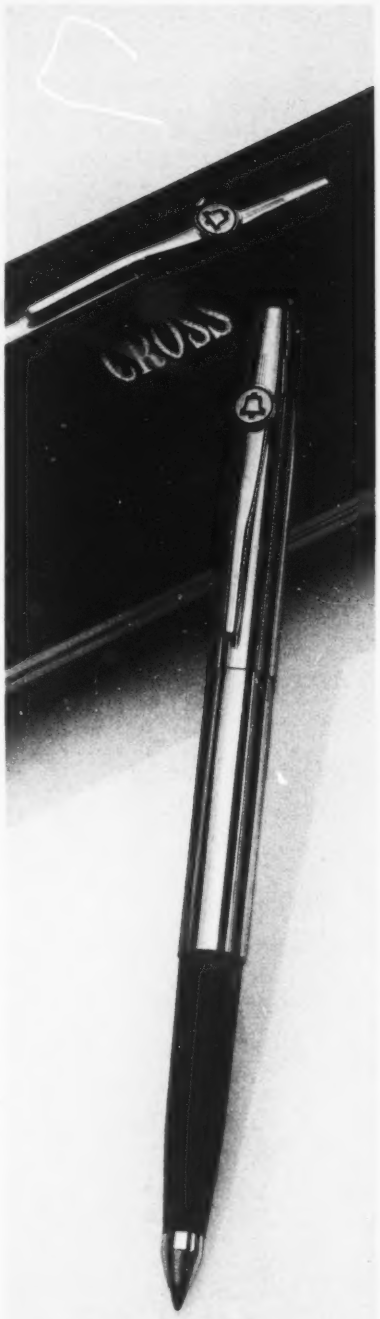

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High-cost markets and low-cost markets

The 10 highest-cost markets are becoming perennials. With one exception, the markets where selling costs are most prohibitive remained the same for the third year running. The exception: Atlanta replaced Houston. Among the nine repeaters, all but New York saw their selling costs rise faster than the all-U.S. average.

Two newcomers edged their way into the select list of 10 lowest-cost markets, Dayton and York (bumping Memphis and Omaha). Youngstown-Warren's costs advanced at an above-average clip, but the seven other repeaters widened the gap between their own per diem totals and the U.S. norm. Fargo-Moorhead retained its prized role as the lowest-cost market.

Highest sales costs

Metro Area	*1980 Per Diem U.S. = 100*
New York	168
San Francisco-Oakland	156
Washington, DC	155
Chicago	143
Los Angeles-Long Beach	136
Miami	130
Boston	127
Newark	127
New Orleans	126
Atlanta	121

Lowest sales costs

Metro Area	*1980 Per Diem Index U.S. = 100*
Fargo-Moorhead, ND-MN	73
Billings, MT	74
Davenport-Rock Island-Moline, IA-IL	77
Greenville-Spartanburg, SC	78
Akron, OH	79
Youngstown-Warren, OH	80
Dayton, OH	81
Wichita, KS	81
York, PA	81
Boise, ID	81

Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*

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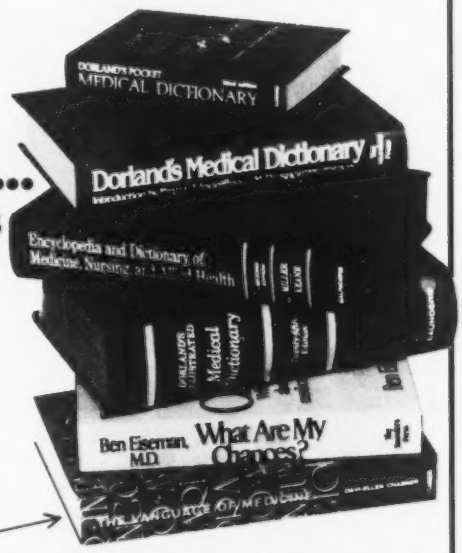
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Evening dining costs in major cities

City	*Est. Cost For 2*	*% Increase 1979–80*
Atlanta	$ 97.55	17%
Boston	88.55	14
Chicago	91.80	11
Cleveland	84.10	13
Dallas	109.50	17
Detroit	87.75	17
Houston	88.60	10
Los Angeles	100.25	13
Miami	109.75	14
Minneapolis	96.35	14
New York	110.20	11
Philadelphia	102.55	9
San Francisco	100.15	7
St. Louis	90.20	12
Washington, DC	87.90	10
15-city average	**$ 96.35**	**12%**

Definition: Cost is for dinner (prime ribs or house specialty) for two persons at a white tablecloth restaurant, including two drinks apiece, one bottle of wine, one cordial each, tax, and 15% gratuity.
Source: Sales & Marketing Management survey.

AN S&MM EXCLUSIVE

Sales call costs take off again

By THAYER C. TAYLOR
Editorial Director
Survey of Selling Costs

After advancing at a slower rate in 1979, the cost per sales call roared off at an accelerated pace last year. All five categories of salespeople (see box this page for definitions) experienced sharper increases according to data prepared exclusively for S&MM.

Setting the pace were industrial products salespeople, whose call cost soared 16.1%, closely followed by sales engineers, 15.3%. Following were service salespeople, up 9.7%, detail salespeople, 8.5%, and account representatives, 4.3%. Sparking the explosive growth in call costs were the field expenses associated with making calls, such as meals, lodging, travel, and entertainment.

Call costs would have risen even faster had not marketers kept tight-fisted control on compensation. Sales engineers, at 10.5%, and industrial products salespeople, 11.5%, scored the heftiest income gains. Even so, their fatter paychecks didn't quite match the consumer price index's overall 13.5% inflation rate. Among the other categories, service salespeople made out best, with a 9.8% compensation boost. Detail salespeople and account representatives made do with scanty gains, 2.2% and 0.9%, respectively.

Field expenses were another story. Costs for three sales types ballooned alarmingly—detail salespeople up 25.0%, industrial products salespeople 24.5%, and sales engineers 23.7%. Field expenses for account representatives shot up 18.2%, while those of service salespeople crept up only 2.4%.

Overall, then, direct sales costs (compensation plus field expenses) rose at a double-digit clip for industrial products salespeople, 15.1%, and sales engineers, 14.5%. Smaller increases prevailed for service and detail salespeople, each 7.8%, and account reps, 5.0%.

Based upon what the data reveal, marketers will have to exert tighter control of field expenses this year if they want to keep rising call costs in line. Economy hotels and restaurants will get a bigger play, and salespeople may have to make more of their sales calls over the phone.

S&MM's sales call costs, ranging from $34.60 for detail salespeople to $82.10 for sales engineers, are significantly lower than those of two other recently reported surveys, however. McGraw-Hill's biennial survey cited a cost-per-call of $137.02 for 1979, representing a 42% jump over 1977. Cahners Publishing put cost-per-call at $128.53 in 1980, a 32% rise over 1978.

The five types of salespeople

These are the five categories of salespeople studied in S&MM's annual Survey:

Account representative—A salesperson who calls on a large number of already established customers in, for example, the food, textiles, apparel, and wholesaling industries. Much of this selling is low key and there is minimal pressure to develop new business.

Detail salesperson—A salesperson who, instead of directly soliciting an order, concentrates on performing promotional activities and introducing products. The medical detail man, for example, seeks to persuade doctors, the indirect customers, to specify the pharmaceutical company's trade name product for prescriptions. The firm's actual sale is ultimately made through a wholesaler or direct to pharmacists who fill prescriptions.

Sales engineer—A salesperson who sells products for which technical know-how and the ability to discuss technical aspects of the product are extremely important. The salesperson's expertise in identifying, analyzing, and solving customer problems is another critical factor. This type of selling is common in the chemical, machinery, and heavy-equipment industries.

Industrial-products salesperson, nontechnical—This salesperson sells a tangible product to industrial or commercial purchasers; no high degree of technical knowledge is required. Industries such as packaging materials or standard office equipment use this type.

Service salesperson—A salesperson who sells intangibles, such as insurance and advertising. Unlike the four preceding types, those who sell services must be able to sell the benefits of intangibles.

SURVEY HIGHLIGHT

Continued rise in cost per sales call

Type Of Salesperson	Median 1980 Cost Per Call	% Increase 1979–80	% Increase 1978–79	1974–80 Annual Rate
Account representative	$73.80	**4.3%**	2.7%	11.6%
Detail salesperson	34.60	**8.5**	7.2	12.7
Sales engineer	82.10	**15.2**	10.7	8.8
Industrial products salesperson	54.05	**16.1**	8.0	10.9
Service salesperson	40.20	**9.7**	3.2	10.9

Notes: Median 1980 Cost Per Call is calculated from the data in the four cost-per-call tables on page 24. It is developed in this manner, with Account Representative data serving as an example: (1) Lowest direct sales cost ($35,000) divided by highest number of calls (1,140) equals $30.70. (2) Highest direct sales cost ($44,400) divided by lowest number of calls (380) equals $116.84. (3) To arrive at the midpoint of the two cost-per-call averages, add them up ($147.54) and divide by 2, which results in a median $73.77, which rounded to the nearest nickel is $73.80.

Due to a change in methodology, data shown in prior years was recalculated for purposes of this comparison.

Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*

The differences between S&MM's ratios and those of the two other publishers stem from the three following factors:

• **Coverage.** Both Cahners and McGraw-Hill data are limited to industrial sales calls, whereas S&MM's embrace industrial, consumer, and service industries. Because the direct selling costs for consumer and service companies are lower than for industrial ones, it stands to reason that S&MM's ratios will be lower.

• **Concept.** Although S&MM's industry coverage is broader, its concept of sales call costs is much narrower. S&MM's includes only those cost components the sales manager can control, such as compensation, meals, lodging, entertainment, and local transportation. McGraw-Hill and Cahners, on the other hand, include such factors as corporate overhead, administrative support, branch office rental, and long distance (even intercontinental) travel. This tends to inflate their call costs.

• **Methodology.** The three companies use distinctly different approaches in calculating call costs. McGraw-Hill and Cahners rely upon a mail survey, asking that the respondent make an "estimate" of his "approximate cost per sales call." Neither survey asks for supporting data, and the respondents include calls by branch and regional sales managers as well as salespeople. That tends to push call costs higher.

In contrast, S&MM relies on an empirical method. The primary data source is the Ameri-

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TABLE I-1

Typical salespeople's call patterns

Type Of Salesperson		Average Calls Per Day Territory A	Average Calls Per Day Territory B	Estimated Days In Field Per Year	Average Calls Per Year Territory A	Average Calls Per Year Territory B
Account representative	R*	4–6	2–3	190[1]	760–1,140	380–570
	M**	5	2.5		950	475
Detail salesperson	R	6–10	4–6	190[1]	1,140–1,900	760–1,140
	M	8	5		1,520	950
Sales engineer	R	4–7	3–4	141[2]	564–987	423–564
	M	5.5	3.5		775.5	493.5
Industrial products salesperson	R	6–8	3–5	190[1]	1,140–1,520	570–950
	M	7	4		1,330	760
Service salesperson	R	8–10	4–6	190[1]	1,520–1,900	760–1,140
	M	9	5		1,710	950

*R: Range of calls
**M: Mean number of calls

Note: [1]Based on 5 days, 52 weeks per year, less 1 day per week office/nonfield work, less 6 holidays, and less 15 days for vacation and sickness

Note: [2]Based on 239 workdays less 2 days per week in office (49 weeks)

Territory definitions: **A**—Usually a metro area where customers are concentrated, the salesperson can make several calls at one location, or the sales manager's philosophy emphasizes maximum calls per day. **B**—Customers are dispersed and longer sales calls are required to sell a product or service.
Source: Sales & Marketing Management survey

TABLE I-2

Direct sales costs of salesperson's calls

Type of Salesperson	Range of Yearly Direct Sales Costs: Compensation Range	Compensation Median	Average Expenses[1]	Total 1980	Total 1979
Account representative	$18,300–39,700	$29,000	$ 6,000–15,400	**$35,000–44,400**	$32,750–42,850
Detail salesperson	16,500–34,600	25,550	6,100–14,400	**31,650–39,950**	29,900–36,500
Sales engineer	21,200–39,600	30,400	4,700–24,000	**35,100–54,400**	31,400–46,800
Industrial products salesperson	18,200–39,800	29,000	4,300–20,100	**33,300–49,100**	29,700–41,900
Service salesperson	19,300–40,000	29,650	2,400–18,600	**32,050–48,250**	31,300–43,200

[1]Includes average travel, entertainment, food, lodging, and auto expenses
Note: Base salary + commission or bonus ranges obtained from American Management Assns., *Sales Personnel Report*, 1980 edition
Source: Sales & Marketing Management survey

TABLE I-3

Direct sales cost per salesperson's call

Type of Salesperson		1980 Median Direct Sales Cost	Average Calls Per Year Territory A	Average Calls Per Year Territory B	Median Cost Per Salesperson's Call Territory A	Median Cost Per Salesperson's Call Territory B
Account representative	R*	$35,000–$44,400	760–1,140	380–570	$30.70–$58.40	$61.40–$116.85
	M**	**39,700**	**950**	**475**	**44.55**	**89.15**
Detail salesperson	R	31,650–39,950	1,140–1,900	760–1,140	16.65–35.05	27.75–52.55
	M	**35,800**	**1,520**	**920**	**25.85**	**40.15**
Sales engineer	R	35,100–54,400	564–987	423–564	35.55–96.45	62.25–128.60
	M	**44,750**	**775.5**	**493.5**	**66.00**	**95.45**
Industrial products salesperson	R	33,300–49,100	1,140–1,520	570–950	21.90–43.05	35.05–86.15
	M	**41,200**	**1,330**	**760**	**32.50**	**60.00**
Service salesperson	R	32,050–48,250	1,520–1,900	760–1,140	16.85–31.75	28.10–63.50
	M	**40,150**	**1,710**	**950**	**24.30**	**45.80**

*R: Range. Middle 50% arrayal of responses
**M: Mean. Midpoint between each set of ranges

Note: Median cost per salesperson's call = $\frac{\text{direct sales cost}}{\text{average calls per year}}$

Note: In previous years the mean cost per call was calculated by dividing the mean direct sales cost by the mean number of calls per year. The resultant rounding caused the mean cost per call to drop below the midpoint of the median set of ranges.

Source: Sales & Marketing Management survey

TABLE I-4

Cost per call by effective call days per week

Type Of Salesperson		5 Days Per Week Territory A	5 Days Per Week Territory B	4 Days Per Week Territory A	4 Days Per Week Territory B	3 Days Per Week Territory A	3 Days Per Week Territory B
Account representative	R*	$24.40–$46.45	$48.80–$92.90	$30.70–$58.40	$61.40–$116.85	$41.35–$78.65	$82.70–$157.[illegible]
	M**	**35.45**	**70.85**	**44.55**	**88.15**	**60.00**	**120.05**
Detail salesperson	R	13.25–27.85	22.10–41.75	16.65–35.05	27.75–52.55	22.45–47.20	37.40–70.8[illegible]
	M	**20.55**	**31.90**	**25.85**	**40.15**	**34.85**	**54.10**
Sales engineer	R	NTE		26.40–71.60	46.20–95.40	35.55–96.45	62.25–128.6[illegible]
	M	**NTE**		**49.00**	**70.80**	**66.00**	**95.45**
Industrial products salesperson	R	17.40–34.25	27.85–68.50	21.90–43.05	35.05–86.15	29.50–58.00	47.20–116.0[illegible]
	M	**25.85**	**46.20**	**32.50**	**60.60**	**43.75**	**81.65**
Service salesperson	R	13.40–25.25	22.35–50.50	16.85–31.75	28.10–63.50	22.70–42.75	37.85–85.5[illegible]
	M	**19.35**	**36.46**	**24.30**	**45.80**	**32.75**	**61.70**

*R: Range
**M: Mean

NTE: Not typical experience

Note: 5-day workweek based on 239 workdays, 4-day workweek based on 190 workdays, 3-day workweek based on 141 workdays. Each assumes an annual 15 days of vacation and sick time and 6 holidays.

Source: Sales & Marketing Management survey

can Management Assn.'s (AMA) annual *Sales Personnel Report,* which includes information on line sales personnel in many industries. The data are broken out for three categories: compensation (including incentives), auto, and travel and entertainment.

After making a phone survey to determine the number of calls made by the different types of salespeople, S&MM segregates AMA's industry data among the five types. Next, because AMA groups its cost data in quartiles, S&MM selects only the second and third quartiles for computing direct sales costs. By eliminating the extreme low and high figures represented in the first and fourth quartiles, S&MM avoids the statistical extremes that can swing sharply from one year to the next.

Most important, in contrast with the single average offered by the other sources, S&MM develops estimates for five broadly representative types of salespeople, enabling the marketer to select the figure most relevant to his operation. An overall average, by itself, can't properly reflect the widely varied types of salespeople and selling environments that make up the real world. It would be difficult to reconcile, in one comprehensive cost-per-call ratio, two such opposite types as, say, a sales engineer, who concentrates on developing systems to solve complex customer problems, and an account representative, who sells mass-produced staples to an established customer base.

Also, salespeople work in markedly different selling environments. A salesperson in a big city, where prospects are

How to create your own cost-per-call efficiency index

S&MM's cost-per-call data can help you evaluate the effectiveness of your own management of this critical cost-ratio. Because the data are detailed for types of salespeople and selling situations, they are most helpful if you develop your own **Sales Call Efficiency Index** that you can then use to monitor the efficiency of your field sales force.

1. Call patterns. Information on your salespeople's call patterns (Table I-5) can be gained either by totalling the number of calls listed on call reports or by multiplying the average number of calls per day by the number of days salespeople spend in the field.

2. Direct sales costs. Unless you keep your own records, company financial records will provide much of the information on direct sales costs (Table I-6). They can be supplemented by the sales force's expense accounts, as well as the Metro Sales Costs (page 39) and Transportation (page 97) sections.

3. Cost per call. Using the summary data from the first two tables, you calculate cost per call (Table I-7) by dividing the salespeople's number of calls into their total direct sales costs. If you want to make the sales force more aware of this critical ratio, you can redesign the format of your call reports so that individuals can compute their own cost per call each time they submit a report.

4. Territory concentration factor. No two territories are exactly alike because of differences in geography, number and type of accounts, and industry concentration or dispersal. You can compensate for this diversity by assigning "weights" to the salespeople or territories being compared. Here, you first develop an average number of calls per day for your entire sales force; that figure represents the norm. Then, using the Territory Concentration Factor (Table I-8), which shows the statistical relationship between a set of common numbers, you "equalize" the differences in the number of sales calls. That is, it compensates for the differences where one territory averages eight calls per day, another, only four.

Next, you adjust for the difference in selling and living costs between the markets. A step-by-step procedure, comparing the Philadelphia, and Billings, MT, markets, is provided on page 36.

TABLE I-5

How to compute your salesperson's call patterns

	Estimated Calls Per Year				
Salesperson	Actual Calls Reported	Average Calls Per Day	Total Days In Field	Estimated Total Calls	Actual Or Estimated Calls Per Year

TABLE I-6

How to compute your salesperson's direct sales costs

	Yearly Direct Sales Cost					
Salesperson	Base Salary	Bonus Or Comm.	Auto Expense	Expense Account Reported	Other	Total Direct Sales Cost

TABLE I-7

How to compute your salesperson's per-call costs

Salesperson	Direct Sales Cost	Total Calls Per Year	Cost Per Salesman's Call[1]

Note: Direct cost per salesperson's call = $\frac{\text{direct sales cost}}{\text{total calls per year}}$

TABLE I-8

Territory concentration factor

Standard Average Calls Per Day	Average Calls Per Day For Territory									
	10	9	8	7	6	5	4	3	2	1
10	1.00	1.11	1.25	1.42	1.66	2.00	2.50	3.33	5.00	10.00
9	.90	1.00	1.12	1.28	1.50	1.80	2.25	3.00	4.50	9.00
8	.80	.88	1.00	1.14	1.33	1.60	2.00	2.66	4.00	8.00
7	.70	.77	.87	1.00	1.16	1.40	1.75	2.33	3.50	7.00
6	.60	.66	.75	.85	1.00	1.20	1.50	2.00	3.00	6.00
5	.50	.55	.62	.71	.83	1.00	1.25	1.66	2.50	5.00
4	.40	.44	.50	.57	.66	.80	1.00	1.33	2.00	4.00
3	.30	.33	.37	.42	.50	.60	.75	1.00	1.50	3.00
2	.20	.22	.25	.28	.33	.40	.50	.66	1.00	2.00
1	.10	.11	.12	.14	.16	.20	.25	.33	.50	1.00

clustered together, spends a much greater portion of his time in face-to-face selling compared with his peer who, working a rural territory where prospects can be separated by vast distances, spends a greater share of his time travelling. Hence, S&MM uses two types of territories: Type A for metropolitan areas and Type B for nonmetro areas.

S&MM's cost-per-sales-call estimates are derived by dividing the number of calls the salesperson makes into his total direct sales costs (compensation plus auto and T&E expenses). If he makes 1,000 calls a year, for example, and has total direct costs of $10,000, his cost per call is $10.

Call patterns (Table I-1)

A sales call is a face-to-face contact between a salesperson and one or more buyers. Calculating the cost-per-call ratio starts with an estimate of the range in number of calls that are made, both daily and annually. This information is developed by S&MM and Technomic Consultants, a Chicago consulting company.

Direct sales costs (Table I-2)

Direct sales costs are limited to those that the salesperson and his manager can control, making the final call-cost ratio a more meaningful yardstick of performance. These include compensation, auto expenses, and T&E (which embrace food and lodging). Such elements can vary considerably among the five sales types, reinforcing

(continued on page 34)

It begins in the dark interiors of some ingenious mind. A pulse at first, and then an impulse that elaborates itself. It begins to glow, to be a light, and a form emerges to cast its shadow against the brain. Creative thought. We marvel at its being, at its mysterious birth. But it has no power of its own to apply itself. It needs to rely on a judgement elsewhere, which in turn relies on creative experience... Which we employ here very handsomely and with great delight.
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SURVEY HIGHLIGHT

How good are the Survey data?

Cost Category	% Increase 1979–80	1978–79
Meals		
CPI	9.9%	11.2%
S&MM	10.1	9.4
Lodging		
CPI	14.2	15.3
S&MM	16.5	12.9
Car rental		
CPI	30.6	26.7
S&MM	32.7	22.6
Two drinks		
CPI	7.4	8.4
S&MM	11.6	6.2

Very good, when you compare the *Survey*'s annual rates of change with those of the federal government's monthly consumer price index (CPI). If you consider the millions of dollars spent, and the hundreds of people employed, by the Bureau of Labor Statistics in gathering the monthly CPI data, the very small differences between S&MM's percent increases and the government's indicate that marketers can use with confidence the statistics contained in this issue. Because the *Survey*'s car rental rates include a gasoline cost for 50 miles, the table combines the government's indexes for car rentals and gasoline at the pump.

SURVEY HIGHLIGHTS

How direct sales costs are changing

Type of Salesperson[1]	Median Direct Sales Costs 1980	% Increase 1979–1980	Compound Annual % Increase 1974–1980
Account representative			
Total	**$39,700**	**5.0%**	**12.6%**
Compensation	29,000	0.9	10.4
Auto and T&E[2]	10,700	18.2	20.5
Detail salesperson			
Total	**35,800**	**7.8**	**13.2**
Compensation	25,550	2.2	10.5
Auto and T&E	10,250	25.0	22.7
Sales engineer			
Total	**$44,750**	**14.5%**	**8.5%**
Compensation	30,400	10.5	6.8
Auto and T&E	14,350	23.7	12.7
Industrial products salesperson			
Total	**41,200**	**15.1**	**10.6**
Compensation	29,000	11.5	8.8
Auto and T&E	12,200	24.5	16.0
Service salesperson			
Total	**40,150**	**7.8**	**11.1**
Compensation	29,650	9.8	9.2
Auto and T&E	10,500	2.4	17.5

[1]See page 22 for definition of salesperson type.
[2]T&E: Travel and entertainment, including food and lodging.
Source: *Sales & Marketing Management's 1981 Survey of Selling Costs.*

How metro per diem and living costs compare

Metro Market	1979–80 % Increase Per Diem Total	Consumer Price Index
NORTHEAST	**12.5%**	**12.6%**
Boston	14.2	11.7[1]
Buffalo	10.4	11.4
New York	13.2	10.9
Philadelphia	9.1	12.0
Pittsburgh	9.8	14.3
MIDWEST	**12.9**	**12.2**
Chicago	10.7	14.0
Cincinnati	8.8	12.3[1]
Cleveland	8.6	14.6
Detroit	12.3	15.7
Kansas City	14.7	10.9
Milwaukee	17.5	14.1
Minneapolis-St. Paul	22.0	10.7
St. Louis	14.0	12.5[1]
SOUTH	**15.1**	**12.4**
Atlanta	18.0	15.7
Baltimore	11.6	13.7[1]
Dallas-Fort Worth[2]	11.5	15.1
Houston	13.8	10.5
Miami	18.7	12.1[1]
Washington, DC	18.4	12.5[1]
WEST	**15.6**	**12.2**
Denver-Boulder	18.6	10.6[1]
Los Angeles-Long Beach	17.7	13.5
Portland	14.8	10.7[1]
San Diego	20.1	12.6[1]
San Francisco-Oakland	19.6	10.7
Seattle-Everett	16.0	15.4
U.S.	**14.0%**	**12.4%[3]**

Notes: Per diem total is the cost of three meals and one night's lodging. Sales & Marketing Management gathers the restaurant and hotel data in the fouth quarter period; the Bureau of Labor Statistics develops its price indexes each month of the year.
[1]Consumer Price Index for the Dec.-to-Dec. period except for these markets where the Nov.-to-Nov. period is the latest data available.
[2]Dallas only.
[3]CPI's increase on annualized basis was 13.5%, remarkably close to S&MM's 14.0%.
Sources: *Sales & Marketing Management's 1981 Survey of Selling Costs;* Bureau of Labor Statistics, *Monthly Consumer Price Index Report.*
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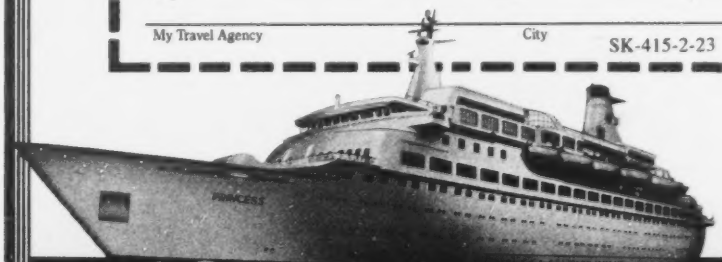

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the need for developing call-costs estimates for different sales categories.

Cost per call (Table I-3)

The factors behind S&MM's preference for call-cost ratios by type of salesperson, as opposed to a single, all-inclusive average, are demonstrated by, first, the spread in such ratios between the five types, and, second, contrasting rates at which they are increasing.

Effective call days (Table I-4)

To make the call-cost information even more useful, S&MM provides a range of ratios based upon the salesperson's work patterns. By converting the cost ratios to applicable three-, four-, or five-day call patterns, the data reflect that salespeople are at different levels of expertise in managing time and territory, as well as planning call patterns and executing the call function.

A cautionary note: Although cost per call is a valuable monitor, it should not be used exclusively for evaluating a salesperson's effectiveness. Sales productivity is as much a function of profitable sales volume as per-call costs, and the manager must consider both elements in assessing the individual's productiveness. And, as the following section demonstrates, even a call-cost ratio itself must be tempered by the nature of local markets.

SURVEY HIGHLIGHT

How call costs vary by industry

Industry	*1980 Avg.*	*Calls Per Week*
Design field	$139.64	12
Capital equipment	133.80	9
Manufacturingindustries	128.89	10
Building products	112.72	13
Foodservice	111.04	15
All industries	**$128.53**	**12**

Source: Cahners Publishing Co., *Cahners Advertising Research Report*, Nos. 542.2 and 542.3.

Step-by-step sequence in building a sales call efficiency index

TABLE I-9
Sales call efficiency index

	Direct Sales Cost	Number Of Sales Calls	Unweighted Cost Per Sales Call	Territory Concentration Factor (TCF)	Per Diem Index*	Sales Call Efficiency Index	**Weighted Sales Call Efficiency Index**
Billings	$22,000	598	$37	1.40	75	$35	**$29**
Philadelphia	$45,000	1,673	$27	0.77	116	$30	**$33**

*As indicated in Section II: Metro Sales Costs

In order to compare cost-per-call ratios of different sales territories equitably, variances between local markets must be considered. This hypothetical example analyzes two different markets: Billings, MT, with below-average per diem costs, and Philadelphia, with above-average per diem costs.

The Billings salesperson has direct sales costs of $22,000 and makes 598 calls a year, while the Philadelphia salesperson has direct sales costs of $45,000 and makes 1,673 calls. Thus the **Unweighted Cost Per Sales Call** in Billings is $36.79 ($22,000 ÷ 598 = $36.79) compared with $26.90 in Philadelphia ($45,000 ÷ 1,673 = $26.90). At first glance, the Philadelphia salesperson seems to be managing his expenses more effectively.

However, a fair evaluation of relative performance must recognize that Billings and Philadelphia are two distinctly different markets. Developing a **Sales Call Efficiency Index** that compensates for these differences involves use of the Territory Concentration Factor (TCF) (Table I-8). Assuming the entire sales force averages seven calls per day, and using the table to relate each salesperson's calls to that number, the TCF of Billings's five calls per day is 1.40 while that of Philadelphia's nine calls is 0.77.

Next, the Metro Sales Costs section (page 39) reveals that Billings's per diem index is 75 and Philadelphia's is 116. Dividing each number into 100, the all-U.S. norm, yields a factor of 1.33 for Billings and 0.86 for Philadelphia.

With these data, it's now possible to construct a **Sales Call Efficiency Index** for each territory using the following equation:

$$\text{Sales Call Efficiency Index} = \frac{\text{Direct sales cost} \quad \frac{(100)}{(\text{Per diem index})}}{\text{Calls/year (Territory Concentration Factor)}}$$

This reveals that, allowing for market differences, the adjusted cost per call in Billings is $34.96 and in Philadelphia $30.05. A $10 difference has been cut in half, as indicated below:

For Billings, the calculation is as follows:

$$\frac{\$22{,}000\ (1.33)}{598\ (1.40)} = \frac{29{,}260}{837} = \$34.96$$

$$\text{For Philadelphia: } \frac{\$45{,}000\ (0.86)}{1{,}673\ (0.77)} = \frac{38{,}700}{1{,}288} = \$30.05$$

Weighted to balance geographical differences in the cost of living

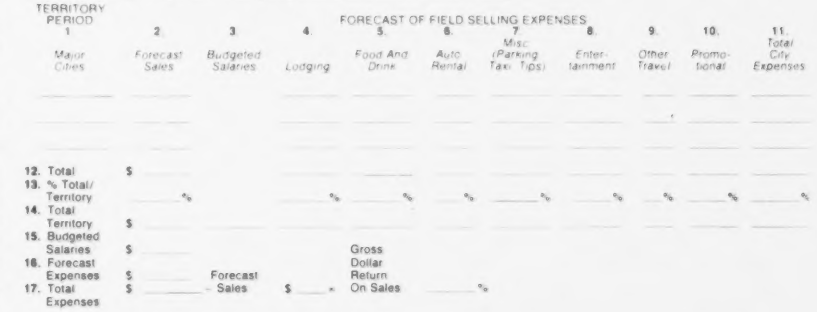
$$\text{For Billings: } \frac{\$15{,}000 + \$7{,}000\ (1.33)}{598\ (1.40)} = \frac{24{,}310}{837} = \$29.04$$

$$\text{For Philadelphia: } \frac{\$30{,}000 + \$15{,}000\ (0.86)}{1{,}673\ (0.77)} = \frac{42{,}900}{1{,}288} = \$33.31$$

The adjusted cost per call can be further refined by allowing for living costs differences. In this example, the Billings salesperson has a base salary of $15,000 plus $7,000 for expenses, while the Philadelphia salesperson has a base salary of $30,000 plus $15,000 for expenses. Using the above equation—multiplying each individual's expenses by the per diem factor cited earlier (1.33 for Billings, 0.86 for Philadelphia)—results in a **Weighted Sales Call Efficiency Index** of $29.04 for Billings, $33.31 for Philadelphia. When living costs are factored in, then, the Billings salesperson is more efficient.

Step-by-step sequence in preparing a sales costs budget

(Bold-faced numbers in the drawing refer to explanations in adjoining column)



1. List the major cities in your territory that are included in *Section II: Metro Sales Costs*.
2. Enter the forecast sales for each city.
3. List in total only the budgeted salaries of the territory sales manager and salespeople as fixed costs.
4. Estimate the number of nights to be spent in each city and multiply by the lodging averages shown in Section II.
5. Estimate the number of meals and drinks per day in each city (S&MM assumes an allowance of two drinks per day per salesperson) and multiply by the appropriate food and drink medians that are shown in Section II.
6. If an auto will be rented, estimate the number of miles per week. *Multiply* the number of days by the rate per day, *add* the sum of the number of miles times the rate per mile, *add* insurance of $2 per day, and subtract your company discount (if any). Auto-rental data are in Sections II and VI.
7. Estimate the miscellaneous expenses.
8. Add entertainment costs by multiplying the dinner and drink rates (for each city) by the number of clients or customers entertained.
9. Estimate other travel expenses—air, train, or bus fares—that may be incurred in trips to the home office or to sales meetings.
10. Estimate promotion expenses by including advertising, sales promotion, trade shows, meetings, and so on that may be charged to the territory.
11. Total expenses across columns 4 to 10 to derive expenses by city.
12. Total all expenses shown in columns 4 to 11.
13. Calculate the percent of the territory's sales that will be accounted for by total sales of the cities listed; do the same for expenses. *A possible shortcut:* Assume that a city's percentage of total territory sales will be the same as its share of total territory expenses.
14. Enter the expected total sales of the territory.
15. Enter total budgeted salaries.
16. Enter total forecast expenses for the cities from column 11. Total salaries and expenses should be adjusted for any overhead—rent, utilities, secretarial expenses—charged to the sales office.
17. Add salaries (item 15) and expenses (item 16). Subtract total expenses (item 17) from forecasted sales (item 12), giving the gross dollar return on sales. This gross dollar return can then be converted to a percentage figure by dividing by the forecast sales total. Comparing the percent shown here with your company's targeted profit ratio tells you if you are on target. If you are not, analysis of the data may suggest the reasons why.

Metro sales costs

U.S. and Canada

TABLE TITLE

II-1 Selling costs in 80 major U.S. markets

Lodging—Average daily rate and range of rates

Meals—Median costs of breakfast, lunch, and dinner

Per diem total—Lodging and meals

Per diem increase—1979–80 increase in per diem total

Per diem index—Market's lodging and meal costs compared with U.S. average

Cost of two drinks

Airport to downtown—Limousine and taxi rates, distances, and times

Auto rental—Average car-rental rates per day

II-2 Selling costs in six major Canadian markets

II-3 Meal and lodging tax rates by metropolitan market

A helpful subject-matter index to all statistical information appears on page 105.

TABLE II-1 Selling costs in 80 major U.S. markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Akron, OH	Average $25.75 Range $20.00–$36.00	B $ 3.65 L $ 4.80 D $12.30	$46.50	9.8%	**79**	$3.60	Limo: $5.50 Taxi: $14.90 Dist.: 15 mi. Time: 30 min.	$56.05
Albany-Schenectady-Troy, NY	Average $35.00 Range $19.00–$50.00	B $ 4.10 L $ 5.00 D $13.70	57.80	8.6	**98**	4.00	Limo: $3.75 Taxi: $10.30* Dist.: 8 mi. Time: 30 min.	54.90
Albuquerque, NM	Average $30.50 Range $11.00–$51.00	B $ 4.40 L $ 5.00 D $10.35	50.25	8.3	**85**	3.90	Limo: $2.25 Taxi: $7.25 Dist.: 5 mi. Time: 15 min.	53.40
Allentown-Bethlehem-Easton, PA	Average $31.50 Range $27.00–$38.00	B $ 3.65 L $ 4.50 D $12.50	52.15	8.9	**88**	3.90	Limo: $4.00 Taxi: $6.75* Dist.: 4 mi. Time: 30 min.	53.60
Atlanta, GA	Average $48.25 Range $29.00–$72.00	B $ 3.90 L $ 4.80 D $14.30	71.25	18.0	**121**	3.90	Limo: $4.00 Taxi: $8.55 Dist.: 8 mi. Time: 35 min.	62.70
Baltimore, MD	Average $39.00 Range $26.00–$65.00	B $ 4.80 L $ 4.65 D $13.95	62.40	11.6	**106**	4.00	Limo: $4.00 Taxi: $7.55 Dist.: 10 mi. Time: 25 min.	65.65
Bethlehem, PA	**See Allentown-Bethlehem-Easton**							
Billings, MT	Average $26.50 Range $18.00–$38.00	B $ 3.30 L $ 4.90 D $ 9.00	43.70	7.4	**74**	3.50	Limo: $2.00 Taxi: $2.70* Dist.: 2 mi. Time: 10 min.	45.85
Birmingham, AL	Average $32.25 Range $19.50–$46.00	B $ 3.90 L $ 5.55 D $13.20	54.90	21.1	**93**	5.00	Limo: $2.50 Taxi: $5.65 Dist.: 5 mi. Time: 30 min.	54.15
Boise, ID	Average $28.25 Range $18.00–$38.00	B $ 4.05 L $ 5.05 D $10.65	48.00	12.0	**81**	3.00	Limo: $1.50 Taxi: $6.75* Dist.: 5 mi. Time: 20 min.	49.65
Boston, MA	Average $52.75 Range $34.00–$80.00	B $ 3.75 L $ 5.50 D $12.65	74.65	14.2	**127**	3.70	Limo: $2.25 Taxi: $5.95 Dist.: 3 mi. Time: 30 min.	70.25
Boulder, CO	**See Denver-Boulder**							
Bridgeport-Stamford-Norwalk-Danbury, CT	Average $46.75 Range $27.00–$62.00	B $ 3.75 L $ 5.05 D $11.55	67.10	16.9	**114**	3.50	Limo: $2.50 Taxi: $4.50 Dist.: 4 mi. Time: 10 min.	52.95
Bristol, CT	**See Hartford-New Britain-Bristol**							

* = flat or zone rate

DEFINITIONS—**Lodging:** Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal costs:** A 12.5% tip is included in each meal cost shown. In some cities, medians have slightly declined. This may be due to changes in the sample rather than changes in cost of meals. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day of lodging and meals. **Per diem increase:** Percent change from 1979 to 1980 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of the all-U.S. average (an index of 110, for example, means that the area's total cost is 10% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. Information is for first city in metro area title. **Auto rental:** Costs are based upon the published nondiscountable daily rate of major companies. Applicable local gas charges for 50 miles have been added.

Note: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it.

Sources: Sales & Marketing Management; American Hotel Assn.: *1980 Hotel and Motel Red Book; Official Airline Guide.*

TABLE II-1 Selling costs in 80 major U.S. markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Buffalo, NY	Average $30.75 Range $21.00–$49.00	B $ 4.45 L $ 4.75 D $12.10	$52.05	10.4%	**88**	$3.50	Limo: $5.00 Taxi: $11.10 Dist.: 9 mi. Time: 30 min.	$63.60
Canton, OH	Average $31.50 Range $26.00–$37.00	B $ 2.85 L $ 3.80 D $12.00	50.15	15.7	**85**	3.00	Limo: $3.00 Taxi: $13.50* Dist.: 10 mi. Time: 20 min.	56.05
Charleston, SC	Average $32.50 Range $20.00–$62.00	B $ 3.95 L $ 5.55 D $13.50	55.50	21.0	**94**	5.50	Limo: $4.50 Taxi: $10.80 Dist.: 12 mi. Time: 30 min.	51.80
Charlotte-Gastonia, NC	Average $32.75 Range $17.00–$42.00	B $ 4.80 L $ 5.05 D $13.30	55.90	19.2	**95**	5.00	Limo: $3.50 Taxi: $7.35 Dist.: 8 mi. Time: 30 min.	52.05
Chicago, IL	Average $58.00 Range $32.50–$84.00	B $ 4.80 L $ 5.90 D $15.45	84.15	10.7	**143**	4.50	**O'Hare** Limo: $4.15 Taxi: $15.25 Dist.: 19 mi. Time: 45-65 min. **Midway** Limo: $3.65 Taxi: $9.85 Dist.: 10 mi. Time: 40 min.	62.10
Cincinnati, OH	Average $33.75 Range $18.00–$48.00	B $ 3.65 L $ 5.00 D $11.95	54.35	8.8	**92**	3.80	Limo: $4.00 Taxi: $15.20* Dist.: 13 mi. Time: 45 min.	52.00
Cleveland, OH	Average $33.50 Range $24.00–$54.00	B $ 3.55 L $ 5.00 D $11.55	53.60	8.6	**91**	3.80	Limo: $4.50 Taxi: $13.55 Dist.: 12 mi. Time: 60 min.	55.70
Columbus, OH	Average $35.25 Range $27.00–$59.00	B $ 3.35 L $ 4.20 D $10.95	53.75	9.8	**91**	3.50	Limo: $5.75 Taxi: $11.95 Dist.: 8 mi. Time: 40 min.	52.35
Dallas, TX	Average $40.00 Range $15.00–$65.00	B $ 5.30 L $ 6.65 D $15.20	67.15	11 5	**114**	4.50	Limo: $7.00 Taxi: $16.65 Dist.: 17 mi. Time: 60 min.	52.15
Danbury, CT	**See Bridgeport-Stamford-Norwalk-Danbury**							
Davenport-Rock Island-Moline, IA-IL	Average $26.75 Range $17.00–$36.00	B $ 3.50 L $ 4.95 D $10.05	45.25	5.0	**77**	3.00	Limo: $6.60 Taxi: $13.50* Dist.: 10 mi. Time: 20 min.	60.30
Dayton, OH	Average $27.75 Range $18.00–$38.00	B $ 3.20 L $ 5.50 D $11.50	47.95	9.0	**81**	3.20	Limo: $5.25 Taxi: $11.60 Dist.: 13 mi. Time: 25 min.	53.75
Denver-Boulder, CO	Average $44.75 Range $29.00–$73.00	B $ 3.65 L $ 5.15 D $14.35	67.90	18.6	**115**	4.00	Limo: $3.35 Taxi: $7.80 Dist.: 7 mi. Time: 30 min.	54.75
Des Moines, IA	Average $28.50 Range $14.50–$45.00	B $ 3.75 L $ 6.45 D $11.80	50.50	13.2	**86**	3.50	Limo: $1.85 Taxi: $5.50 Dist.: 5 mi. Time: 20 min.	45.75

* = flat or zone rate

TABLE II-1 Selling costs in 80 major U.S. markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Detroit, MI	Average $41.75 Range $30.00–$72.00	B $ 4.65 L $ 6.00 D $16.00	$68.40	12.3%	**116**	$4.30	Limo: $3.95 Taxi: $24.30 Dist.: 23 mi. Time: 40 min.	$49.15
Easton, PA	**See Allentown-Bethlehem-Easton**							
Everett, WA	**See Seattle-Everett**							
Fargo-Moorhead, ND-MN	Average $25.00 Range $18.50–$43.00	B $ 3.10 L $ 4.45 D $10.30	42.85	11.4	**73**	4.00	Limo: None Taxi: $4.55 Dist.: 3 mi. Time: 30 min.	52.00
Fitchburg, MA	**See Worcester-Fitchburg-Leominster**							
Flint, MI	Average $32.50 Range $28.00–$52.00	B $ 3.30 L $ 4.80 D $12.50	53.10	10.6	**90**	4.00	Limo: $3.50 Taxi: $7.90 Dist.: 5 mi. Time: 15 min.	47.90
Fort Worth, TX	Average $34.50 Range $17.00–$56.00	B $ 4.45 L $ 5.80 D $13.05	57.80	16.4	**98**	3.50	Limo: $4.00 Taxi: $16.90 Dist.: 17 mi. Time: 60 min.	48.05
Gastonia, NC	**See Charlotte-Gastonia**							
Grand Rapids, MI	Average $29.00 Range $13.00–$46.00	B $ 3.85 L $ 6.00 D $11.35	50.20	14.5	**85**	4.50	Limo: $9.00 Taxi: $11.25* Dist.: 12 mi. Time: 30 min.	47.30
Greensboro-Winston-Salem-High Point, NC	Average $30.00 Range $19.00–$60.00	B $ 3.70 L $ 4.10 D $13.35	51.15	16.8	**87**	4.50	Limo: $7.00 Taxi: $11.25* Dist.: 10 mi. Time: 30 min.	52.40
Greenville-Spartanburg, SC	Average $25.75 Range $16.00–$38.00	B $ 3.30 L $ 4.85 D $12.40	46.30	14.2	**78**	4.80	Limo: $5.00 Taxi: $18.30 Dist.: 15 mi. Time: 30 min.	52.85
Harrisburg, PA	Average $34.25 Range $24.00–$45.00	B $ 3.30 L $ 4.25 D $11.15	52.95	11.1	**90**	3.00	Limo: $2.50 Taxi: $12.95* Dist.: 9 mi. Time: 30 min.	58.80
Hartford-New Britain-Bristol, CT	Average $42.50 Range $27.00–$70.00	B $ 3.55 L $ 6.45 D $13.50	66.00	20.1	**112**	3.90	Limo: $3.60 Taxi: $13.90* Dist.: 14 mi. Time: 35 min.	61.80
High Point, NC	**See Greensboro-Winston-Salem-High Point**							
Houston, TX	Average $45.50 Range $18.50–$75.00	B $ 4.65 L $ 6.45 D $14.20	70.80	13.8	**120**	4.00	Limo: $4.50 Taxi: $21.40* Dist.: 20 mi. Time: 45 min.	57.10

*=flat or zone rate

DEFINITIONS—**Lodging:** Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal costs:** A 12.5% tip is included in each meal cost shown. In some cities medians have slightly declined. This may be due to changes in the sample rather than changes in cost of meals. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day of lodging and meals. **Per diem increase:** Percent change from 1979 to 1980 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of the all-U.S. average (an index of 110, for example, means that the area's total cost is 10% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. Information is for first city in metro area title. **Auto rental:** Costs are based upon the published nondiscountable daily rate of major companies. Applicable local gas charges for 50 miles have been added.

Note: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it.

Sources: Sales & Marketing Management; American Hotel Assn.: *1980 Hotel and Motel Red Book; Official Airline Guide.*

TABLE II-1 Selling costs in 80 major U.S. markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Indianapolis, IN	Average $34.00 Range $18.00–$57.00	B $ 3.75 L $ 4.45 D $12.90	$55.10	11.8%	**93**	$3.80	Limo: $6.15 Taxi: $6.30 Dist.: 5 mi. Time: 25 min.	$48.80
Jacksonville, FL	Average $31.50 Range $21.00–$56.00	B $ 3.65 L $ 4.65 D $11.70	51.50	11.8	**87**	3.80	Limo: $4.00 Taxi: $14.20 Dist.: 15 mi. Time: 30 min.	47.60
Kansas City, MO	Average $42.00 Range $22.00–$80.00	B $ 4.25 L $ 5.90 D $13.50	65.65	14.7	**111**	3.80	Limo: $7.50 Taxi: $21.25 Dist.: 18 mi. Time: 35 min.	53.05
Las Vegas, NV	Average $36.00 Range $29.00–$56.00	B $ 4.45 L $ 6.80 D $14.15	61.40	9.2	**104**	3.50	Limo: $2.55 Taxi: $7.35 Dist.: 6 mi. Time: 35 min.	50.40
Leominster, MA	**See Worcester-Fitchburg-Leominster**							
Little Rock-North Little Rock, AR	Average $31.75 Range $20.00–$51.00	B $ 3.35 L $ 5.30 D $11.10	51.50	13.6	**87**	4.00	Limo: $3.25 Taxi: $3.85* Dist.: 4 mi. Time: 15 min.	53.30
Long Beach, CA	**See Los Angeles-Long Beach**							
Los Angeles-Long Beach, CA	Average $50.50 Range $32.00–$85.00	B $ 4.00 L $ 7.50 D $18.30	80.30	17.7	**136**	4.50	**International** Limo: $5.60 Taxi: $20.60 Dist.: 17 mi. Time: 45 min. **Burbank** Limo: $1.55 Taxi: $25.10 Dist.: 21 mi. Time: 45 min.	49.95
Louisville, KY	Average $31.75 Range $19.50–$40.00	B $ 3.15 L $ 4.35 D $11.75	51.00	12.0	**86**	3.30	Limo: $4.50 Taxi: $6.65 Dist.: 5 mi. Time: 20 min.	51.70
Memphis, TN	Average $30.30 Range $24.00–$44.00	B $ 3.75 L $ 5.45 D $11.30	50.80	17.7	**86**	3.90	Limo: $4.25 Taxi: $8.70 Dist.: 10 mi. Time: 40 min.	52.95
Meriden, CT	**See New Haven-Waterbury-Meriden**							
Miami, FL	Average $52.75 Range $30.00–$90.00	B $ 3.70 L $ 5.00 D $15.15	76.60	18.7	**130**	4.50	Limo: $4.75 Taxi: $6.35 Dist.: 5 mi. Time: 20 min.	48.45
Milwaukee, WI	Average $37.50 Range $16.00–$70.00	B $ 4.00 L $ 4.95 D $13.45	59.90	17.5	**102**	3.30	Limo: $3.40 Taxi: $7.60 Dist.: 6 mi. Time: 30 min.	50.50
Minneapolis-St. Paul, MN	Average $44.25 Range $26.00–$65.00	B $ 4.45 L $ 5.50 D $14.25	68.45	22.0	**116**	3.60	Limo: $3.50 Taxi: $13.35 Dist.: 10 mi. Time: 25 min.	52.90
Moline, IL	**See Davenport-Rock Island-Moline**							
Moorhead, MN	**See Fargo-Moorhead**							
Nashville-Davidson, TN	Average $31.80 Range $18.00–$60.00	B $ 3.95 L $ 5.25 D $12.70	53.70	9.1	**91**	4.00	Limo: $5.00 Taxi: $10.00 Dist.: 8 mi. Time: 30 min.	53.15
New Britain, CT	**See Hartford-New Britain-Bristol**							

* = flat or zone rate

TABLE II-1 Selling costs in 80 major U.S. markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
New Haven-Waterbury-Meriden, CT	Average $30.25 Range $20.00–$38.00	B $ 4.05 L $ 5.55 D $11.60	$51.45	10.5%	**87**	$3.90	Limo: $3.60 Taxi: $6.15 Dist.: 3.5 mi. Time: 15 min.	$56.05
New Orleans, LA	Average $45.50 Range $27.50–$90.00	B $ 4.85 L $ 7.75 D $16.05	74.15	17.1	**126**	4.00	Limo: $5.00 Taxi: $15.75* Dist.: 15 mi. Time: 30 min.	57.55
New York, NY	Average $62.50 Range $29.00–$145.00	B $ 5.95 L $10.50 D $20.25	99.20	13.2	**168**	5.50	**LaGuardia** Limo: $3.50 Taxi: $9.25 Dist.: 8 mi. Time: 60 min. **Kennedy** Limo: $4.00 Taxi: $16.30 Dist.: 15 mi. Time: 75 min. **Newark** Limo: $2.15 Taxi: $27.55* Dist.: 10 mi. Time: 60 min.	62.90
Newark, NJ	Average $48.25 Range $29.00–$58.00	B $ 4.05 L $ 6.00 D $16.35	74.65	19.4	**127**	3.50	Limo: $2.00 Taxi: $6.75* Dist.: 3 mi. Time: 15 min.	63.10
Norfolk-Virginia Beach-Portsmouth, VA	Average $36.00 Range $24.00–$60.00	B $ 3.15 L $ 4.80 D $13.50	57.45	14.1	**97**	4.00	Limo: $4.25 Taxi: $8.35 Dist.: 8 mi. Time: 25 min.	53.35
North Little Rock, AR	**See Little Rock-North Little Rock**							
Norwalk, CT	**See Bridgeport-Stamford-Norwalk-Danbury**							
Oakland, CA	**See San Francisco-Oakland**							
Ogden, UT	**See Salt Lake City-Ogden**							
Oklahoma City, OK	Average $35.50 Range $28.00–$50.00	B $ 3.75 L $ 4.60 D $11.15	55.00	18.5	**93**	3.00	Limo: $4.75 Taxi: $12.40 Dist.: 10 mi. Time: 30 min.	49.40
Omaha, NB	Average $31.00 Range $16.00–$45.00	B $ 2.85 L $ 4.20 D $12.20	50.25	18.9	**85**	3.20	Limo: $4.40 Taxi: $5.20 Dist.: 4.5 mi. Time: 20 min.	48.40
Pawtucket, RI	**See Providence-Warwick-Pawtucket**							
Peoria, IL	Average $36.75 Range $29.00–$52.00	B $ 3.65 L $ 5.05 D $11.35	56.80	16.3	**96**	3.70	Limo: $2.00 Taxi: $7.80 Dist.: 5 mi. Time: 20 min.	58.35
Philadelphia, PA	Average $42.00 Range $27.00–$60.00	B $ 4.20 L $ 6.20 D $15.00	67.40	9.1	**114**	3.90	Limo: $4.75 Taxi: $10.65 Dist.: 7 mi. Time: 35 min.	61.05

* = flat or zone rate

DEFINITIONS—**Lodging:** Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal costs:** A 12.5% tip is included in each meal cost shown. In some cities, medians have slightly declined. This may be due to changes in the sample rather than changes in cost of meals. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day of lodging and meals. **Per diem increase:** Percent change from 1979 to 1980 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of the all-U.S. average (an index of 110, for example, means that the area's total cost is 10% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. Information is for first city in metro area title. **Auto rental:** Costs are based upon the published nondiscountable daily rate of major companies. Applicable local gas charges for 50 miles have been added.

Note: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it.

Sources: Sales & Marketing Management; American Hotel Assn.: *1980 Hotel and Motel Red Book; Official Airline Guide.*

TABLE II-1 Selling costs in 80 major U.S. markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Phoenix, AZ	Average $38.25 Range $21.00–$78.00	B $ 3.35 L $ 5.25 D $11.70	$58.55	21.1%	**99**	$3.90	Limo: $2.75 Taxi: $4.75 Dist.: 4 mi. Time: 20 min.	$48.50
Pittsburgh, PA	Average $41.00 Range $24.00–$65.00	B $ 3.95 L $ 6.90 D $15.05	66.90	9.8	**113**	3.90	Limo: $3.50 Taxi: $20.25 Dist.: 17 mi. Time: 55 min.	54.10
Portland, OR	Average $37.25 Range $25.50–$61.00	B $ 4.80 L $ 5.00 D $13.20	60.25	14.8	**102**	3.70	Limo: $3.25 Taxi: $13.30 Dist.: 9 mi. Time: 25 min.	51.05
Portsmouth, VA	**See Norfolk-Virginia Beach-Portsmouth**							
Providence-Warwick-Pawtucket, RI	Average $35.50 Range $20.00–$65.00	B $ 4.05 L $ 6.20 D $14.65	60.40	19.2	**102**	4.00	Limo: $3.50 Taxi: $8.60 Dist.: 8.5 mi. Time: 40 min.	58.80
Reading, PA	Average $28.75 Range $22.00–$36.00	B $ 3.25 L $ 5.35 D $13.80	51.15	3.2	**87**	3.50	Limo: $1.00 Taxi: $5.40 Dist.: 3 mi. Time: 20 min.	45.05
Richmond, VA	Average $29.75 Range $14.00–$53.00	B $ 3.30 L $ 3.95 D $12.25	49.25	10.9	**83**	3.90	Limo: $4.60 Taxi: $10.95 Dist.: 8 mi. Time: 20 min.	50.50
Rochester, NY	Average $34.25 Range $24.00–$48.00	B $ 3.95 L $ 4.75 D $12.30	55.25	7.7	**94**	3.50	Limo: None Taxi: $6.65 Dist.: 4 mi. Time: 20 min.	63.35
Rock Island, IL	**See Davenport-Rock Island-Moline**							
Sacramento, CA	Average $32.50 Range $20.50–$59.00	B $ 3.85 L $ 5.95 D $11.10	53.40	10.9	**91**	3.90	Limo: $3.30 Taxi: $16.20 Dist.: 11 mi. Time: 20 min.	51.20
St. Louis, MO	Average $35.50 Range $20.00–$60.00	B $ 4.00 L $ 5.55 D $14.55	59.60	14.0	**101**	4.00	Limo: $5.50 Taxi: $14.40 Dist.: 15 mi. Time: 45 min.	57.95
St. Paul, MN	**See Minneapolis-St. Paul**							
St. Petersburg, FL	**See Tampa-St. Petersburg**							
Salt Lake City-Ogden, UT	Average $36.50 Range $23.00–$63.00	B $ 4.25 L $ 4.80 D $11.65	57.20	14.4	**97**	3.50	Limo: None Taxi: $5.00 Dist.: 4 mi. Time: 30 min.	51.75
San Antonio, TX	Average $33.00 Range $15.00–$61.00	B $ 4.00 L $ 6.20 D $11.60	54.80	13.0	**93**	3.90	Limo: $2.75 Taxi: $8.90 Dist.: 8.6 mi. Time: 45 min.	50.15

DEFINITIONS—**Lodging**:Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal costs**:A 12.5% tip is included in each meal cost shown. In some cities, medians have slightly declined. This may be due to changes in the sample rather than changes in cost of meals. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day of lodging and meals. **Per diem increase:** Percent change from 1979 to 1980 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of the all-U.S. average (an index of 110, for example, means that the area's total cost is 10% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. Information is for first city in metro area title. **Auto rental:** Costs are based upon the published nondiscountable daily rate of major companies. Applicable local gas charges for 50 miles have been added.

Note: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it.

Sources: Sales & Marketing Management; American Hotel Assn.: *1980 Hotel and Motel Red Book; Official Airline Guide.*

TABLE II-1 Selling costs in 80 major U.S. markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
San Diego, CA	Average $41.75 Range $20.00–$79.00	B $ 4.10 L $ 5.75 D $12.65	$64.25	20.1%	**109**	$3.50	Limo: None Taxi: $4.50 Dist.: 3 mi. Time: 15 min.	$49.45
San Francisco-Oakland, CA	Average $60.00 Range $31.00–$130.00	B $ 6.75 L $ 8.10 D $17.45	92.30	19.6	**156**	5.00	**International** Limo: $2.25 Taxi: $21.35 Dist.: 15 mi. Time: 45 min. **Oakland** Limo: $1.75 Taxi: $28.10 Dist.: 20 mi. Time: 60 min.	50.65
San Jose, CA	Average $42.75 Range $22.00–$59.00	B $ 4.20 L $ 5.65 D $13.75	66.35	22.2	**112**	3.90	Limo: $3.05 Taxi: $4.50 Dist.: 3 mi. Time: 15 min.	50.70
Schenectady, NY	**See Albany-Schenectady-Troy**							
Seattle-Everett, WA	Average $45.00 Range $21.00–$65.00	B $ 4.20 L $ 5.65 D $13.75	68.60	16.0	**116**	3.90	**Seattle** Limo: $3.60 Taxi: $16.90 Dist.: 14 mi. Time: 25 min. **Boeing** Limo: $1.50 Taxi: $6.75 Dist.: 5 mi. Time: 25 min.	50.05
Spartanburg, SC	**See Greenville-Spartanburg**							
Stamford, CT	**See Bridgeport-Stamford-Norwalk-Danbury**							
Syracuse, NY	Average $31.75 Range $21.00–$52.00	B $ 3.95 L $ 4.50 D $12.90	53.10	17.3	**90**	3.50	Limo: None Taxi: $10.45 Dist.: 7 mi. Time: 20 min.	52.40

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TABLE II-1 Selling costs in 80 major U.S. markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Tampa-St. Petersburg, FL	Average $35.00 Range $19.00–$55.00	B $ 3.15 L $ 3.95 D $11.95	$54.05	11.0%	**92**	$3.80	Limo: $3.00 Taxi: $6.30 Dist.: 6 mi. Time: 20 min.	$48.30
Toledo, OH	Average $32.75 Range $20.00–$50.00	B $ 3.95 L $ 4.35 D $13.80	54.85	14.0	**93**	3.30	Limo: $6.50 Taxi: $18.40 Dist.: 17 mi. Time: 35 min.	45.25
Troy, NY	**See Albany-Schenectady-Troy**							
Tulsa, OK	Average $32.25 Range $21.00–$47.00	B $ 3.75 L $ 4.80 D $11.25	52.05	10.6	**88**	No sale by drink permitted	Limo: $5.75 Taxi: $8.45* Dist.: 9 mi. Time: 25 min.	54.40
Virginia Beach, VA	**See Norfolk-Virginia Beach-Portsmouth**							
Warren, OH	**See Youngstown-Warren**							
Warwick, RI	**See Providence-Warwick-Pawtucket**							
Washington, DC	Average $59.50 Range $33.50–$105.00	B $ 5.65 L $ 8.15 D $18.00	91.30	18.4	**155**	5.00	**National** Limo: $3.25 Taxi: $5.15 Dist.: 4 mi. Time: 25 min. **Dulles** Limo: $6.00 Taxi: $24.20 Dist.: 26 mi. Time: 45 min.	65.50
Waterbury, CT	**See New Haven-Waterbury-Meriden**							
Wichita, KS	Average $28.25 Range $12.00–$40.00	B $ 3.45 L $ 5.45 D $10.85	48.00	14.1	**81**	No sale by drink permitted	Limo: $4.85 Taxi: $7.00 Dist.: 6 mi. Time: 20 min.	48.80
Wilmington, DE	Average $37.25 Range $22.00–$60.00	B $ 4.00 L $ 5.75 D $13.80	60.80	17.4	**103**	3.90	Limo: $4.75 Taxi: $9.55 Dist.: 5 mi. Time: 20 min.	56.60
Winston-Salem, NC	**See Greensboro-Winston-Salem-High Point**							
Worcester-Fitchburg-Leominster, MA	Average $32.00 Range $24.00–$38.00	B $ 4.25 L $ 6.00 D $12.85	55.10	15.0	**93**	3.30	Limo: $3.00 Taxi: $6.55 Dist.: 5 mi. Time: 20 min.	65.60
York, PA	Average $26.50 Range $18.00–$40.00	B $ 3.85 L $ 4.90 D $12.55	47.80	7.4	**81**	3.50	Limo: $5.00 Taxi: $26.90* Dist.: 29 mi. Time: 60 min.	64.85
Youngstown-Warren, OH	Average $30.00 Range $22.50–$38.00	B $ 3.10 L $ 3.90 D $10.35	47.35	16.5	**80**	3.10	Limo: $2.50 Taxi: $16.90* Dist.: 11 mi. Time: 45 min.	54.70

* = flat or zone rate

DEFINITIONS—**Lodging:** Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal costs:** A 12.5% tip is included in each meal cost shown. In some cities, medians have slightly declined. This may be due to changes in the sample rather than changes in cost of meals. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entrée, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day of lodging and meals. **Per diem increase:** Percent change from 1979 to 1980 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of the all-U.S. average (an index of 110, for example, means that the area's total cost is 10% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. Information is for first city in metro area title. **Auto rental:** Costs are based upon the published nondiscountable daily rate of major companies. Applicable local gas charges for 50 miles have been added.

Note: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it.

Sources: Sales & Marketing Management; American Hotel Assn.: *1980 Hotel and Motel Red Book; Official Airline Guide.*

TABLE II-2 Selling costs in major Canadian markets

Metro Area	Lodging (Daily)	Meals (Median)	Per Diem Total	Per Diem Increase 1979–80	Per Diem Index	Cost Of Two Drinks	Airport To Downtown	Per Diem Auto Rental
Calgary, Alberta	Average $42.50 Range $21.00–$68.00	B $ 4.80 L $ 6.75 D $15.75	$69.80	7.7%	**97**	$4.70	Limo: $5.15 Taxi: $7.40 Dist.: 6 mi. Time: 30 min.	$33.65
Montreal, Quebec	Average $51.00 Range $34.00–$82.00	B $ 4.90 L $ 7.05 D $16.05	$79.00	13.3	**110**	$6.00	Limo: $4.30 Taxi: $16.10 Dist.: 14 mi. Time: 25 min.	$33.70
Ottawa, Ontario	Average $42.50 Range $30.00–$58.00	B $ 4.50 L $ 5.70 D $12.95	$65.65	7.2	**91**	$4.50	Limo: $3.15 Taxi: $11.10 Dist.: 11 mi. Time: 25–50 min.	$32.50
Toronto, Ontario	Average $47.25 Range $28.00–$78.00	B $ 4.45 L $ 7.20 D $15.00	$73.90	12.2	**103**	$5.00	Limo: $4.30 Taxi: $17.40 Dist.: 18 mi. Time: 30 min.	$33.10
Vancouver, British Columbia	Average $48.75 Range $29.00–$80.00	B $ 5.85 L $ 7.05 D $16.00	$77.65	14.9	**108**	$6.10	Limo: $3.50 Taxi: $12.30 Dist.: 11 mi. Time: 60 min.	$35.50
Winnipeg, Manitoba	Average $38.25 Range $22.00–$55.00	B $ 4.45 L $ 6.80 D $16.90	$66.40	11.5	**92**	$5.00	Limo: $2.90 Taxi: $5.00 Dist.: 4 mi. Time: 15 min.	$32.80

DEFINITIONS—**Lodging:** Single-room rates, excluding local taxes, are shown. Double-room rates are approximately 1.27 times greater. **Meal Costs:** A 12.5% tip is included in each meal cost shown. **B**—Menu prices for a breakfast consisting of two eggs, bacon or sausage, and coffee (and juice if it is part of the meal). **L**—Menu price for a lunch consisting of ground sirloin steak (not a sandwich) or a comparable entree, potato, vegetable, and coffee (and salad, roll and butter, and coleslaw if part of the meal). **D**—Menu price for dinner consisting of 12-oz. sirloin steak, baked potato, salad, and beverage (and appetizer, soup, and dessert if part of the meal). **Per diem total:** Total one-day cost of lodging and meals. **Per diem increase:** Percent change from 1979 to 1980 in total one-day cost of lodging and three meals. **Per diem index:** A city's per diem total expressed as a ratio of the all-Canadian average (an index of 102, for example, means that the area's total cost is 2% above the national average). **Cost of two drinks:** Price for two martinis made from the bar's house liquor. **Airport to downtown:** Taxi fares shown include a 12.5% tip, but exclude the cost of extraordinary waiting time due to traffic delays. **Auto Rental:** Costs are based upon the published nondiscountable daily rates of major companies. Applicable local gas charges for 50 miles have been added.

Notes: **Average** is the sum of the dollar amounts divided by the number of responses. **Median** is the dollar amount that has an equal number of responses above and below it.

Source: Sales & Marketing Management survey; American Hotel Assn.: *1980 Hotel & Motel Red Book*; *Official Airline Guide*.

S&MM'S FOUR SURVEY ISSUES

Each year Sales & Marketing Management publishes four *Survey* issues, which, taken together, provide a comprehensive and convenient information system for both consumer and industrial marketers. The data contained in the four *Survey* issues facilitate the analysis and selection of local geographic markets as well as target customer markets, the development of appropriate sales strategies for reaching those markets, and the comparison of the costs of selling in the geographical markets. The four *Surveys*: *Survey of Buying Power* (July), *Survey of Buying Power—Part II* (Nov.), *Survey of Selling Costs* (Feb.) and *Survey of Industrial Purchasing Power* (April).

TABLE II-3

Meal & lodging tax rates by metropolitan market

*U.S. Metro Area**	*Lodging Tax*	*Meal Tax*
Akron	10.0%	4.0%
Albany-Schenectady-Troy	7.0	7.0
Albuquerque	7.0	4.0
Allentown-Bethlehem-Easton	6.0	6.0
Atlanta	7.0	4.0
Baltimore	10.0	5.0
Billings	—	—
Birmingham	7.0	6.0
Boise	8.0	3.0
Boston	5.7	5.0
Bridgeport-Stamford-Norwalk-Danbury	7.0	7.5
Buffalo	9.0	7.0
Canton	5.5	4.0
Charleston	4.0	4.0
Charlotte-Gastonia	4.0	4.0
Chicago	8.1	6.0
Cincinnati	7.5	4.5
Cleveland	9.0	5.5
Columbus	7.0	4.5
Dallas	7.0	5.0
Davenport-Rock Island-Moline	3.0	3.0
Dayton	7.5	5.0
Denver-Boulder	7.5	6.5
Des Moines	8.0	3.0
Detroit	4.0	4.0
Fargo-Moorhead	4.0	3.0
Flint	7.0	4.0
Ft. Worth	6.0	5.0
Grand Rapids	7.0	4.0
Greensboro-Winston-Salem-High Point	4.0	4.0
Greenville-Spartanburg	4.0	4.0
Harrisburg	6.0	6.0
Hartford-New Britain-Bristol	7.0	7.5
Houston	7.0	6.0
Indianapolis	9.0	4.0
Jacksonville	6.0	4.0
Kansas City	7.625	5.125
Las Vegas	6.0	3.5
Little Rock-North Little Rock	5.0	5.0
Los Angeles-Long Beach	6.0	6.0
Louisville	8.0	5.0
Memphis	11.0	6.0
Miami	6.0	4.0
Milwaukee	9.0	4.0
Minneapolis-St. Paul	7.0	4.0
Nashville-Davidson	9.0%	7.0%
New Haven-West Haven-Waterbury-Meriden	7.5	7.5
New Orleans	8.0	6.0
New York (plus $1 surcharge)	8.0	8.0
Newark	5.0	5.0
Norfolk-Virginia Beach-Portsmouth	7.0	7.0
Oklahoma City	6.0	4.0
Omaha	4.5	4.5
Peoria	8.0	7.0
Philadelphia	6.0	6.0
Phoenix	5.0	5.0
Pittsburgh	7.0	6.0
Portland	6.0	—
Providence-Warwick-Pawtucket	8.0	6.0
Reading	6.0	6.0
Richmond	6.0	4.0
Rochester	9.0	7.0
Sacramento	10.0	6.0
St. Louis	7.625	5.625
Salt Lake City-Ogden	8.0	5.0
San Antonio	7.0	5.5
San Diego	8.0	6.0
San Francisco-Oakland	9.75	6.5
San Jose	6.0	6.5
Seattle-Everett	5.4	5.4
Syracuse	9.0	7.0
Tampa-St. Petersburg	6.0	4.0
Toledo	7.5	4.5
Tulsa	7.0	5.0
Washington, DC	8.0	8.0
Wichita	5.0	3.0
Wilmington	6.0	—
Worcester-Fitchburg-Leominster	5.7	5.0
York	6.0	6 0
Youngstown-Warren	7.0	4.5

*Tax rates are for the first city in a given metro area.

Canadian Metro Area	*Lodging Tax*	*Meal Tax*
Calgary	—	—
Montreal	—	10.0%
Ottawa	—	10.0
Toronto	—	10.0
Vancouver	5.0%	—
Winnipeg	5.0	5.0

Source: Sales & Marketing Management survey.

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Compensation

TABLE	TITLE
III-1	**Sales force selling expenses as a percentage of sales in major industries**
III-2	Total selling expenses as a percentage of company sales
III-3	Salespeople's annual compensation
III-4	Compensation for three types of salespeople by industry
III-5	**How salespeople's total compensation is growing**
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III-7	Manufacturers' representatives' commissions
III-8	Alternative sales compensation and incentive plans
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III-10	**Starting salaries of trainees with college degrees**
III-11	Starting salaries of college graduates to be hired
III-12	Salary statistics for M.B.A. graduates entering marketing

A helpful subject-matter index to all statistical information appears on page 105.

TABLE III-1

Sales force selling expenses as a percentage of sales in major industries

Industry	Compensation 1980	Compensation 1979	T&E Expenses 1980	T&E Expenses 1979	Total 1980	Total 1979
Consumer goods						
Apparel	N.A.	3.3%	N.A.	N.A.	**N.A.**	3.3%
Durable goods	3.0%	1.1	1.0%	0.8%	**4.1%**	1.9
Ethical pharmaceuticals, surgical supplies & equipment	4.7	3.6	2.1	1.0	**6.8**	4.6
Food	1.3	1.7	0.5	0.8	**1.8**	2.5
Major household items	1.4	2.2	0.4	0.4	**1.8**	2.6
Proprietary drugs & toiletries	3.4	1.8	1.0	0.5	**4.4**	2.3
Industrial goods						
Automative parts & accessories	1.7	2.5	0.7	0.9	**2.4**	3.4
Building materials	1.2	1.2	0.4	0.5	**1.6**	1.7
Chemicals & petroleum	2.1	N.A.	1.0	N.A.	**3.1**	N.A.
Computers, office & educational supplies & equipment	5.1	N.A.	1.9	N.A.	**7.0**	N.A.
Containers, packaging materials, and paper	1.3	N.A.	0.7	N.A.	**2.0**	N.A.
Electrical materials	1.4	2.2	0.5	0.9	**1.9**	3.1
Electronics & instruments	2.4	N.A.	0.6	N.A.	**3.0**	N.A.
Fabricated metals (heavy)	1.7	1.6	0.6	0.5	**2.3**	2.1
Fabricated metals (light)	2.1	1.8	0.9	0.6	**3.0**	2.4
Fabrics & apparel	1.5	N.A.	0.4	N.A.	**1.9**	N.A.
Instruments	N.A.	2.0	N.A.	1.2	**N.A.**	3.2
Iron & steel	1.0	0.8	0.6	0.1	**1.6**	0.9
Machinery (heavy)	2.0	1.9	0.7	0.7	**2.7**	2.6
Machinery (light)	2.9	2.1	0.8	1.0	**3.7**	3.1
Office & educational supplies & equipment	N.A.	11.0	N.A.	1.0	**N.A.**	12.0
Paper	N.A.	1.1	N.A.	0.6	**N.A.**	1.7
Printing & publishing	6.4	6.1	1.3	1.8	**7.7**	7.9
Rubber, plastics & leather	1.2	1.0	0.7	N.A.	**1.9**	1.0
Tools & hardware	2.7	2.3	1.2	0.9	**3.9**	3.2

Note: Includes only salespeople's total compensation plus their expenses, that is, travel, lodging, meals, and entertainment. It should be noted that some of the differences between years reflect changes in the organizations that reported data. Also, percentages in this table are percentages of sales by the sales force.
N.A.—Not available in reporting year.
Source: American Management Assn., *Executive Compensation Service*.

TABLE III-2

Total selling expenses as a percentage of company sales

Industry	1980	1979	Industry	1980	1979
Consumer goods			Fabrics & apparel	**5.1**	N.A.
Apparel	**N.A.**	11.2%	Instruments	**N.A.**	7.3
Durable goods	**5.2%**	5.1	Iron & steel	**1.5**	1.4
Ethical pharmaceuticals, surgical supplies & equipment	**8.4**	13.5	Machinery (heavy)	**3.6**	4.3
Food	**3.2**	5.4	Machinery (light)	**4.2**	5.5
Major household items	**5.2**	2.8	Office & educational supplies & equipment	**N.A.**	10.0
Proprietary drugs and toiletries	**14.9**	16.1	Paper	**N.A.**	2.1
Industrial Goods			Printing & publishing	**10.9**	10.4
Automotive parts & accessories	**3.1**	4.0	Rubber, plastics & leather	**3.2**	1.7
Building materials	**2.1**	2.8	Tools & hardware	**5.5**	5.6
Chemicals & petroleum	**6.5**	N.A.			
Computers, office & educational supplies & equipment	**10.0**	N.A.			
Containers, packaging materials & paper	**2.4**	N.A.			
Electrical materials	**2.0**	5.6			
Electronics and instruments	**4.1**	N.A.			
Fabricated metals (heavy)	**3.1**	3.4			
Fabricated metals (light)	**3.5**	4.0			
Fabrics	**N.A.**	4.0			

Note: Selling expenses cover cost of median compensation of salespeople and sales management, travel, lodging, meals and entertainment, advertising, and promotion. One of the major difficulties encountered in gathering such information is that wide differences exist between companies in the definition of selling expenses and the costs included in such figures. In addition, some of the differences between years reflect changes in the organizations that reported data.
N.A.—Not available in reporting year.
Source: American Management Assns., *Executive Compensation Service*.

TABLE III-3

Salespeople's annual compensation

Salesperson Level	Consumer Products 1980	1979	% Change	Industrial Products 1980	1979	% Change
Sales trainee						
Straight salary	**$13,900**	$12,900	+ 7.8%	**$15,257**	$13,650	+11.8%
Salary plus incentive						
Salary	**12,733**	12,167	+ 4.7	**15,367**	12,440	+23.5
Incentive	**1,333**	1,200	+11.1	**2,933**	3,780	−22.4
Total	**14,400**	13,200	+ 9.1	**18,222**	15,700	+16.1
A&B salespeople						
Straight salary	**16,187***	15,300	+ 5.8	**22,954**	19,925	+15.2
Salary plus incentive						
Salary	**17,040**	16,117	+ 5.7	**19,427**	17,474	+11.2
Incentive	**3,220**	3,383	− 4.8	**5,093**	5,148	− 1.1
Total	**21,840**	19,767	+10.5	**24,693**	23,079	+ 7.0
Senior salespeople						
Straight salary	**28,060***	26,750	+ 4.9	**27,682**	25,536	+ 8.4
Salary plus incentive						
Salary	**21,460**	19,950	+ 7.6	**24,160**	21,871	+10.5
Incentive	**4,840**	4,383	+10.4	**6,407**	5,347	+19.8
Total	**27,000**	24,950	+ 8.2	**30,647**	26,112	+17.4
Sales supervisor						
Straight salary	**31,694***	29,900	+ 6.0	**32,400**	28,979	+11.8
Salary plus incentive						
Salary	**27,460**	27,450	+ 0.4	**29,500**	25,316	+16.5
Incentive	**6,080**	4,533	+34.1	**7,857**	7,426	+ 5.8
Total	**33,480**	32,217	+ 3.9	**37,550**	32,953	+14.0

*Estimated.

Note: Some differences between years reflect changes in the organizations that reported data. It should also be noted that in the "salary plus incentive" category, the "total" compensation will not equal the sum of the "salary" and "incentive" components because not all respondents provided information for each of the components.

Source: American Management Assns., *Executive Compensation Service*.

TABLE III-4

Compensation for three types of salespersons by industry

Industry	Level of Compensation: Highest Paid 1979	% Change 1977–79	Typical 1979	% Change 1977–79	Lowest Paid 1979	% Change 1977–79
Nondurable goods						
Food, beverage & tobacco	$40,000	+46%	$25,000	+22%	$18,000	+29%
Textile	37,000	−29	28,000	+17	18,000	− 3
Apparel	35,000	−14	28,000	+19	20,000	+13
Paper	44,000	+13	28,000	+22	20,000	+21
Publishing	42,000	+15	27,000	+15	28,000	+87
Printing	55,000	+22	30,000	+15	18,000	+ 3
Chemicals: Industrials & plastics	56,000	+67	33,000	+35	22,000	+22
Chemicals: Drugs & toiletries	42,000	+17	23,000	+ 5	18,000	+ 9
Rubber	38,000	+ 9	30,000	+25	21,000	+36
Plastics	45,000	+27	27,000	+10	20,000	+11
Durable goods						
Lumber	$53,000	+47%	$30,000	+40%	$16,000	+ 3%
Furniture	40,000	+13	30,000	+13	18,000	+ 6
Stone, clay & glass	40,000	+23	25,000	+16	19,000	+19
Primary metals: Iron & steel	46,000	+35	31,000	+24	24,000	+37
Primary metals: Nonferrous	46,000	+56	29,000	+42	22,000	+29
Fabricated structural metals	38,000	+52	25,000	+19	20,000	+38
Fabricated metals, other	35,000	N.A.	28,000	N.A.	18,000	N.A.
General machinery	40,000	+19	29,000	+26	20,000	+11
Metalworking machinery	42,000	+20	26,000	+ 8	22,000	+26
Special industry machinery	42,000	N.A.	29,000	+14	23,000	N.A.
Electrical machinery	40,000	+10	28,000	+ 8	20,000	+11
Electronic equipment	40,000	+11	30,000	+22	22,000	+26
Transportation equipment	40,000	+13	27,000	− 4	21,000	+24
Instruments & photographic	42,000	+20	28,000	+10	22,000	+33

N.A.—Not available.

Source: Research Institute of America, *Sales Compensation '80*.

Definitions

Field sales personnel

Sales trainee: Anyone who is learning about the company's products, services, and policies, as well as proven sales techniques, in preparation for a sales assignment.

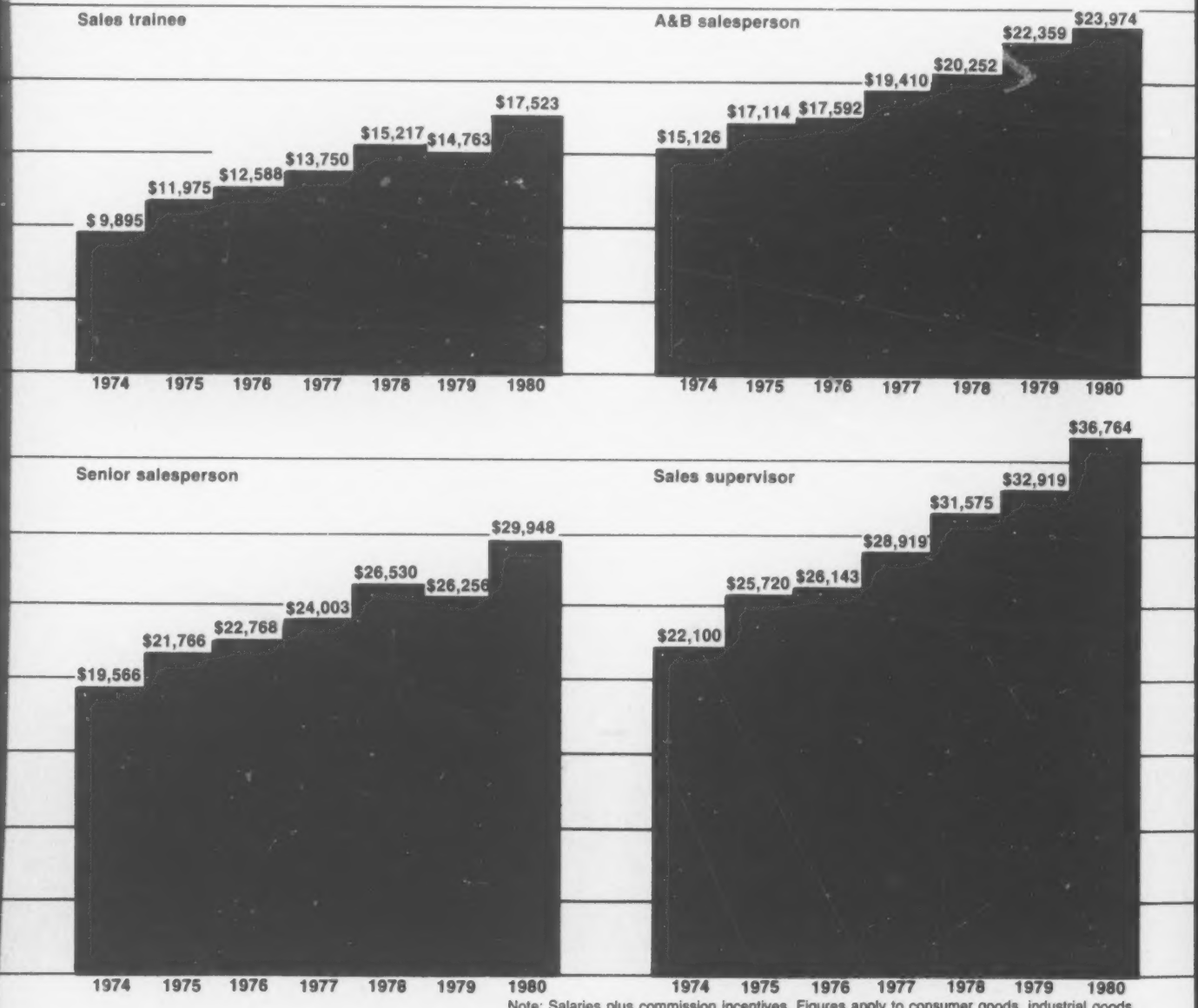
Salesperson Grade A: A "regular" salesperson who has little or no selling experience except that which has been acquired in the company's sales training program. He contacts established and prospective customers to develop interest in the company's products and to sell them.

Salesperson Grade B: A salesperson who has broad knowledge of the company's products and services and sells in a specifically assigned territory. He maintains contact with established customers and develops new prospects.

Senior salesperson: A salesperson at the highest level of selling responsibility. He is completely familiar with the company's products, services, and policies; he usually has years of experience and is assigned to major accounts and territories.

TABLE III–5

How salespeople's total compensation is growing



Note: Salaries plus commission incentives. Figures apply to consumer goods, industrial goods, and "other," that is, insurance, services, transportation, and utilities.
Source: American Management Assns., *Executive Compensation Service*.

Sales supervisor: A veteran salesperson who, because of his abilities and experience, leads others. Although his primary function is to direct the activities of and train salespeople and sales trainees, he may also sell to selected key accounts.

Sales-support personnel

Level I: This individual performs assigned tasks, using established procedures that require little evaluation. Generally reports to a supervisor

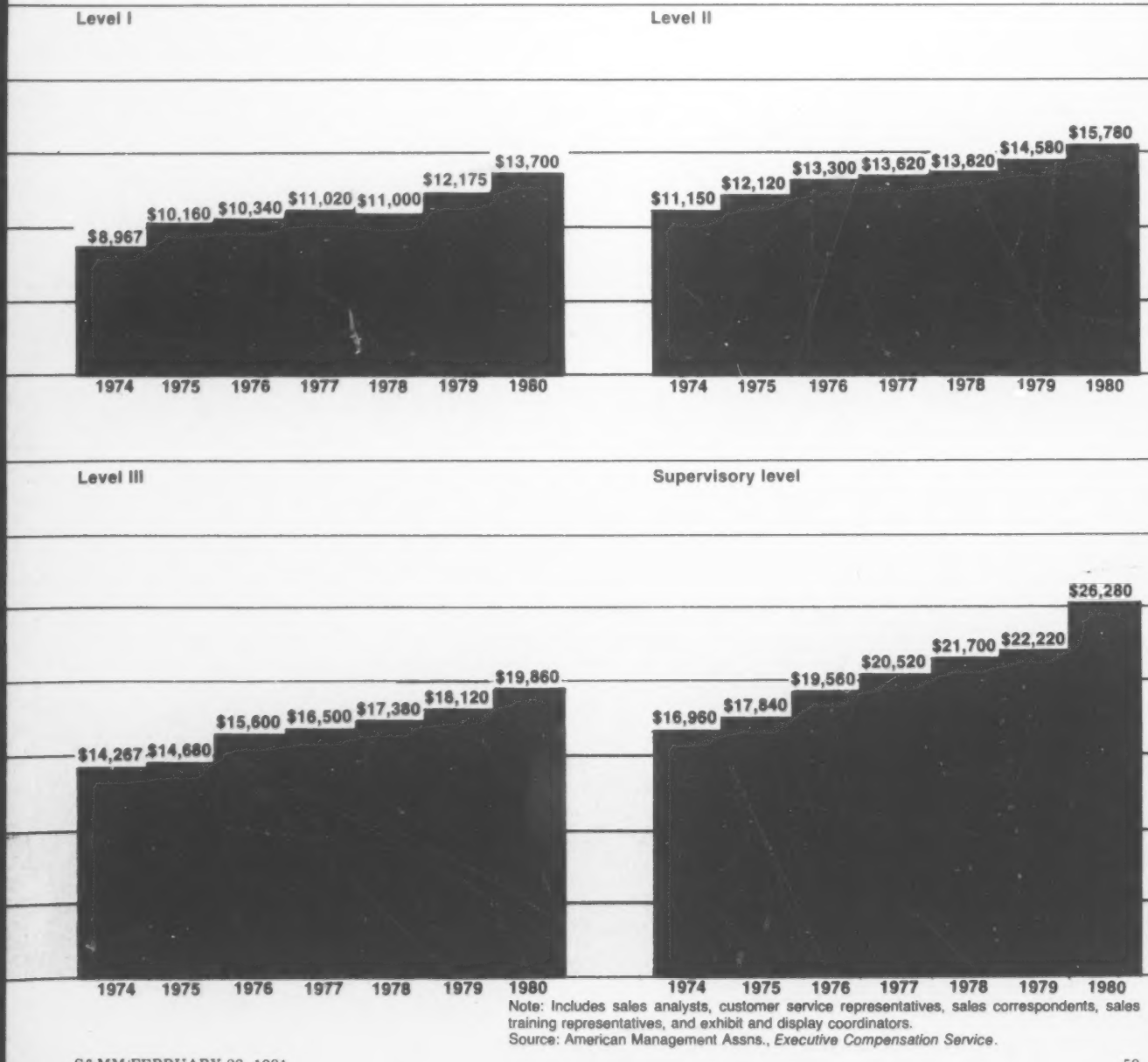
Level II: An intermediate-level worker who performs tasks involving limited responsibilities and standard procedures. Some originality and evaluation is required.

Level III: The highest nonsupervisory worker, expected to exercise considerable originality and make evaluations. On occasion, this person assists in training and supervising trainees and Level I employees.

Supervisor: This individual's primary job is to direct others in the accomplishment of assigned work. He also consults with superiors on more complex phases of assigned work.

TABLE III–6

How compensation for sales-support personnel is growing



Note: Includes sales analysts, customer service representatives, sales correspondents, sales training representatives, and exhibit and display coordinators.
Source: American Management Assns., *Executive Compensation Service*.

TABLE III-7
Manufacturers' representatives' commissions

SIC	Industry	% Using	Median Rate	Reps' Median Compensation
Nondurable goods				
20, 21	Food, beverage & tobacco	48%	4.0%	$40,000
22	Textile mills	70	6.0	17,000
23	Apparel	81	6.0	35,000
26	Paper	33	5.0	16,000
271	Publishing	38	20.0	26,000
275	Printing	28	10.0	15,000
281	Chemicals: Industrial & plastics	48	7.5	11,000
283	Chemicals: Drugs & toiletries	44	7.0	26,000
301	Rubber	71	5.0	19,000
307	Plastics	62	5.0	15,000
Durable goods				
24	Lumber	53	5.0	12,000
25	Furniture	78	7.0	30,000
331	Primary metals: Iron & steel	59	5.0	20,000
333	Primary metals: Nonferrous	52	5.0	24,000
344	Fabricated structural metals	48	5.0	8,000
347	Fabricated metals, other	74	5.1	21,000
351	General industrial machinery	75	10.0	22,000
354	Metalworking machinery	73	10.0	28,000
355	Special industry machinery	65	10.0	20,000
361	Electrical machinery	76	6.0	19,000
365	Electronic equipment	78	8.0	20,000
37	Transportation equipment	48	5.0	25,000
38	Instruments & photographic	58	11.5	20,000

S.I.C.—Standard Industrial Classification number.
Source: Research Institute of America, *Sales Compensation '80.*

Naples Daily News

NAPLES, FLORIDA

100.12% Sunday*

87.27%* Daily

City Zone Coverage

Circulation Comparison Collier County, Florida*

1980 PAID CIRCULATION COLLIER COUNTY

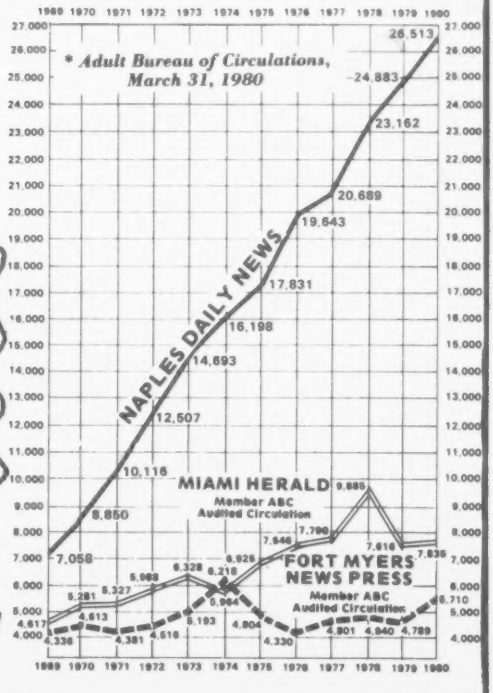


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TABLE III-8

Alternative sales compensation and incentive plans

Method	All Industries 1980	All Industries 1979	Consumer Products 1980	Industrial Products 1980	Other Commerce/Industry 1980
	Percent of Companies Using Plans				
Straight salary	**20.4%**	21.4%	15.3%	19.7%	31.8%
Draw against commission	**7.2**	6.3	8.2	7.2	6.1
Salary plus commission	**28.6**	27.8	17.3	32.2	24.3
Salary plus individual bonus	**27.9**	29.3	35.7	26.9	22.7
Salary plus group bonus	**5.6**	4.8	9.2	5.1	3.0
Salary plus commission plus individual or group bonus	**10.3**	10.4	14.3	8.9	12.1
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: Some year-to-year differences reflect changes in the organizations reporting data.
Source: American Management Assns., *Executive Compensation Service*.

TABLE III-9

Daily expenses of field salespeople

Cost Per Day Per Salesperson*	Consumer Products 1980	Consumer Products 1979	Industrial Products 1980	Industrial Products 1979	Other Commerce/Industry 1980	Other Commerce/Industry 1979
	Percent Of Companies					
Under $10	—	—	**0.5%**	2.2%	**2.9%**	5.6%
$10–$19	**6.0%**	**9.1%**	**2.3**	5.8	**11.8**	8.3
$20–$29	**22.0**	31.8	**4.5**	7.2	**11.8**	11.1
$30–$39	**16.0**	9.1	**9.9**	17.9	**5.9**	8.3
$40–$49	**18.0**	9.1	**15.4**	12.6	**14.7**	16.7
$50–$59	**12.0**	11.4	**15.4**	14.3	**2.9**	13.9
$60–$69	**4.0**	9.1	**11.3**	10.8	**8.8**	8.3
$70–$79	**6.0**		**9.9**		**8.8**	
$80–$89	**4.0**	20.4	**9.0**	29.2	**3.0**	27.8
$90 and over	**12.0**		**21.8**		**29.4**	
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

*Includes food, lodging, travel, entertainment, and auto expenses.
Note: Some year-to-year differences reflect changes in the organizations reporting data.
Source: American Management Assns., *Executive Compensation Service*.

TABLE III-10

Starting salaries of trainees with college degrees

Bachelor's Degree

Functional Area	Average Annual Salary 1980	Average Annual Salary 1979	% Gain 1979–80
Marketing: Consumer goods & services	$14,340	$13,044	9.9%
Marketing: Industrial goods & services	16,920	15,168	11.6%

M.B.A. Candidates

Type of Degree	Average Annual Salary 1980	Average Annual Salary 1979	% Gain 1979–80
Business administration, industrial management, or commerce			
With nontechnical undergraduate degree	$21,540	$19,332	11.4%
With technical undergraduate degree	23,652	20,976	12.8%

Note: Applies to candidates with one year or less of full-time, nonmilitary employment. Data are based on offers, not acceptances.
Source: College Placement Council, *A Study of 1979–80 Beginning Offers, Final Report, July 1980*; copyright 1980.

TABLE III-11

Starting salaries of college graduates to be hired

Field	Class Of 1981	Class Of 1980*	% Gain 1980–81
Bachelor's Degree			
Sales–marketing	$17,220	$15,936	8.1%
Business administration	16,200	14,100	14.9
M.B.A. Degree			
With technical B.S.	$26,424	$22,632	16.8
With nontechnical B.A.	22,680	21,672	4.7

Note: Salaries are what companies offered, not what they actually paid.
*Actual starting salaries paid to graduates last year, Northwestern Univ. says, were $16,764 for sales–marketing graduates, $15,300 for business administration, $23,964 for M.B.A. with technical B.S., and $20,880 for M.B.A. with nontechnical B.A.
Source: Northwestern Univ. Placement Center, *The Endicott Report 1981*; copyright 1980.

TABLE III-12

Salary statistics for M.B.A. graduates entering marketing

Background	Class Of 1980	Class Of 1979	% Gain 1979–80
Technical			
Median salary	$28,800	$27,550	4.5%
Range	26,000–48,000	18,000–36,000	N.A.
Nontechnical			
Median salary	$30,500	$25,350	20.3%
Range	18,000–37,000	18,000–40,020	N.A.

N.A.—Not applicable.
Source: Stanford University Graduate School of Business.

Sales meetings and sales training

TABLE TITLE

IV-1 **Average cost of sales training per salesperson**

IV-2 Length of training period for new salespeople

IV-3 Sites most frequently used for sales training

Step-by-step sequence in preparing a sales meeting budget

IV-4 Sales meeting costs in major metropolitan markets

IV-5 Conference centers: Learning away from it all

IV-6 Selected resort hotels: Combining learning with luxury

IV-7 Selected airport hotels

IV-8 Selected budget motel chains

A helpful subject-matter index to all statistical information appears on page 105.

TABLE IV-1

Average cost of sales training per salesperson

	Training Cost* Including Salary		% Increase	Median Training Period (Weeks)	
Type Of Company	**1980**	1979	1979–80	1980	1979
Industrial products	**$20,093**	$19,025	5.6%	26	26
Consumer products	**13,625**	13,173	3.4	19	16
Services**	**12,772**	9,918	28.8	12	9

*In addition to salary, covers such items as instructional materials prepared, purchased, and rented for training program; transportation and living expenses incurred during training course; instructional staff; outside seminars and courses; and management time spent with salesperson when it is a part of the training budget.
**Includes insurance, financial, utilities, transportation, retail stores, etc.
Source: Sales & Marketing Management survey.

TABLE IV-2

Length of training period for new salespeople

	Type Of Company					
	Industrial Products		Consumer Products		Services*	
Time Period	1980	1979	1980	1979	1980	1979
0 to 6 wk.	13%	14%	21%	27%	23%	31%
Over 6 wk. to 3 mo.	11	7	29	24	39	33
Over 3 mo. to 6 mo.	31	30	40	39	21	25
Over 6 mo. to 12 mo.	45	49	9	7	17	9
Over 12 mo.	0	0	1	3	6	2
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Median Training Period (wk.)	**26**	**26**	**19**	**16**	**12**	**9**

*Includes insurance, financial, utilities, transportation, retail stores, etc.
Source: Sales & Marketing Management survey.

TABLE IV-3

Sites most frequently used for sales training

	% Of Companies Conducting Training At This Location			Median Length Of Training Time At This Location		
Location	Industrial Products	Consumer Products	Services*	Industrial Products	Consumer Products	Services*
Home office	81%	76%	94%	3 wk.	3 wk.	4 wk.
Field office	72	59	79	21 wk.	13 wk.	3 wk.
Regional office	55	36	53	4 wk.	6 wk.	2 wk.
Plant locations	48	0	0	5 wk.	0	0
Central training facility (away from home office)	11	7	18	3 wk.	1 wk.	2 wk.
Noncompany site (hotel, restaurant, club)	6	0	25	1 wk.	0	1 wk.

*Includes insurance, financial, utilities, transportation, retail stores, etc.
Note: Length of time should not necessarily be considered cumulative because not all training programs include all locations.
Source: Sales & Marketing Management survey.

Step-by-step sequence in preparing a sales meeting budget

Hotel costs	1. City (Houston)	2. No. Of Meeting Participants	3. No. Of Times Cost Is Incurred	4. Cost Per Person	11. Total Cost Per Meeting
5. Lodging	$56.00	27	51	$59.92	$3,056
6. Meals					
B	8.05	27	54	8.05	435
L	10.95	27	54	10.95	591
D	15.75	32	32	15.75	504
7. Coffee breaks	3.05	27	81	3.05	247
8. Cocktail party	21.80	32	32	10.90	349
9. Meeting room					—
10. Hospitality-suite rental					—
12. Subtotal (hotel costs)					$5,182
Supplementary costs					
13. Audiovisual rental					—
14. Meals away from hotel					$ 360
15. Transportation from airport to meeting site					$ 514
16. Automobile rental					—
17. Transportation to and from meeting					$2,700
18. Entertainment, printed materials, handouts, etc.					$ 600
19. Subtotal (supplementary costs)					$4,174
20. Grand total					$9,356
21. Number of participants					27
22. Average cost per participant					$346.52

Using information from S&MM's *Survey of Selling Costs*, a marketer can get a more reliable fix on the costs of a sales meeting. In the hypothetical example used here, a two-day divisional meeting is planned for Houston. Of the 27 people who will attend, 24 will arrive from out of town the evening before the meeting starts.

Hotel costs

1. According to Table IV-4: Sales Meeting Costs (page 71), median group lodging rates range from $40 to $75 for a single room. For budget purposes, the sales manager plans to use a hotel that charges no more than $56 daily (Column 1, Line 5).
2. He enters the number of meeting participants who will attend each function in items 5 through 8.
3. The 24 people arriving the night before will need lodging for two nights, the other 3 only one night, so the number of times the lodging cost is incurred comes to 51 (Column 3, Line 5).
4. Table II-3: Meal and Lodging Tax Rates (page 53) indicates that Houston has a 7% room tax, which brings the cost per person to $59.92.
5. Multiplying this figure by the figure in column 3 results in a total lodging cost of $3,056 (Column 11, Line 5).
6. Referring again to Table IV-4, he enters the cost of group meals in Column 1, Line 6: Breakfast, $8.05; Lunch, $10.95, and Dinner, $15.75. The two-day meeting will require two breakfasts and two lunches so the number of times those individual costs are incurred comes to 54. Multiplying that figure by each meal cost results in a total breakfast cost of $435 and a total lunch cost of $591. A reception and dinner will be held in the hotel at the end of the first day, and 5 people from top management will attend as guest speakers, bringing the number of attendees to 32. Multiplying that number by the meal cost results in a total dinner cost of $504.
7. The meeting will end early the afternoon of the second day so only three coffee breaks are planned (Column 3, Line 7).
8. Although the median rate for a 2-hour reception is $21.80 (as indicated in Table IV-4), the sales manager plans only a 1-hr. function and cuts the cost in half to $10.90 (Column 4, Line 8).
9. Because he has reserved sleeping rooms and will have sizable meal functions, the sales manager knows that the hotel will waive meeting room charges.
10. The same applies to hospitality-suite rental.
11. The total cost for each function is derived by multiplying the cost of each function by the number of times the cost will be incurred (Column 11).
12. Adding the functional costs in Column 11 results in a total hotel cost of $5,182.

Supplementary costs

13. The sales manager has no audiovisual rental cost because he does not need anything other than the overhead projector and screen normally furnished by hotels (Line 13).
14. Dinner costs will have to be allowed for the 24 attendees arriving on the night before the meeting. Table II-1: Metro Sales Costs (page 40) shows that a dinner in Houston costs about $14.20. Table II-3 shows that Houston adds a 6% tax to meals, which brings the cost per person to $15. Multiplying this figure by 24 results in a $360 cost for meals away from the hotel (Line 14).
15. The taxi fare from airport to downtown, also found in Table II-1, indicates that the total cost for this item will come to $514 (Line 15).
16. The attendees will spend all their time at the meeting, hence there will be no need for auto rentals (Line 16).
17. The traffic department tells the sales manager that air coach fares for flying the 24 out-of-towners to Houston will aggregate $2,700 (Line 17).
18. The cost for transparencies, printed workshop materials, and the like is budgeted at $600 (Line 18).
19. Adding up the various supplementary items results in a subtotal of $4,174 (Line 19).
20. Combining hotel and supplementary costs provides a grand total of $9,356 (Line 20).
21. The number of participants is 27.
22. Dividing grand total costs by 27 results in an average cost per participant of $346.52 (Line 22). If this same procedure is followed for calculating the per-participant cost of other candidate cities, the sales manager will learn which location is a more economical choice.

TABLE IV-4

Sales meetings costs

City	Lodging (Group Rates) Daily Room Rates Single	Lodging (Group Rates) Daily Room Rates Double	Food And Beverage (Group Rates) Meals (Per Person)	Food And Beverage (Group Rates) Coffee Break With Rolls (Per Person)	Hospitality Functions Hospitality Suite Rental	Hospitality Functions 2-Hr. Reception With Hors d'Oeuvres (Per Person)	Meeting Rooms Median Rental
Atlanta, GA	*Low:* Median $46.50 Range $38.00–$65.00 *High:* Median $62.50 Range $42.00–$72.00	*Low:* Median $56.00 Range $48.00–$75.00 *High:* Median $74.00 Range $52.00–$85.00	B—Median $6.45 Range $4.45–$11.30 L—Median $10.50 Range $5.35–$15.50 D—Median $15.20 Range $9.45–$35.70	Median $2.50 Range $1.45–$2.75	Median $150.00 Range $125.00–$315.00	Median $17.25 Range $10.00–$18.45	For 25: $ 62.50 For 50: 90.00 For 75: 200.00 For 100: 212.50
Boston, MA	*Low:* Median $69.00 Range $55.00–$76.00 *High:* Median $83.00 Range $69.00–$96.00	*Low:* Median $79.00 Range $67.00–$88.00 *High:* Median $96.00 Range $79.00–$102.00	B—Median $8.25 Range $7.40–$9.50 L—Median $12.45 Range $10.00–$18.45 D—Median $16.50 Range $13.25–$27.05	Median $2.65 Range $2.30–$3.40	Median $225.00 Range $150.00–$350.00	Median $18.45 Range $12.70–$29.50	For 25: $100.00 For 50: 150.00 For 75: 212.50 For 100: 300.00
Chicago, IL	*Low:* Median $50.50 Range $39.00–$65.00 *High:* Median $60.00 Range $52.00–$90.00	*Low:* Median $60.00 Range $48.00–$79.00 *High:* Median $69.00 Range $60.00–$100.00	B—Median $7.30 Range $4.60–$9.15 L—Median $12.35 Range $5.80–$15.25 D—Median $19.55 Range $11.00–$24.50	Median $3.05 Range $2.65–$3.30	Median $135.00 Range $75.00–$450.00	Median $16.50 Range $15.55–$24.50	For 25: $ 71.25 For 50: 140.00 For 75: 160.00 For 100: 205.00
Cleveland, OH	*Low:* Median $47.00 Range $35.00–$52.00 *High:* Median $53.00 Range $45.00–$66.00	*Low:* Median $58.00 Range $45.00–$62.00 *High:* Median $58.00 Range $55.00–$76.00	B—Median $6.50 Range $2.75–$10.80 L—Median $10.00 Range $5.95–$16.80 D—Median $13.75 Range $10.30–$30.00	Median $2.15 Range $1.80–$3.05	Median $123.00 Range $45.00–$275.00	Median $15.30 Range $11.00–$22.25	For 25: $ 72.50 For 50: 112.50 For 75: 137.50 For 100: 150.00
Dallas, TX	*Low:* Median $47.00 Range $38.00–$80.00 *High:* Median $62.00 Range $42.00–$105.00	*Low:* Median $60.00 Range $43.00–$100.00 *High:* Median $72.00 Range $46.00–$125.00	B—Median $7.10 Range $4.80–$13.15 L—Median $10.75 Range $6.30–$14.40 D—Median $16.50 Range $8.25–$30.00	Median $2.75 Range $1.80–$3.60	Median $150.00 Range $100.00–$250.00	Median $19.80 Range $12.00–$28.00	For 25: $ 75.00 For 50: 82.50 For 75: 130.00 For 100: 150.00

DEFINITIONS—**Lodging:** Rates are shown for two types of accommodations, economy (low) and premium (high). The median rate is the figure that has an equal number of responses above and below it. Preferred rates are often available if the group guarantees a specific number of rooms. **Food and beverage:** Tax and tips included in median costs. **B**—Breakfast typically includes fruit or juice, entrée, rolls/toast/sweet rolls, and beverage. **L** and **D**—Lunch or dinner typically includes appetizer, salad, entrée, two vegetables or potato and a vegetable, roll, butter, dessert, and beverage. Buffet meals, cold plates, and sandwich menus are often available at approximately the same costs at noon. **Hospitality functions:** Groups are not always charged for a hospitality suite if the hotel provides liquor and hors d'oeuvres. **Meeting rooms:** There is generally no meeting room charge if a specific number of sleeping rooms are required or if a group meal is included with the meeting.

Source: Sales & Marketing Management survey.

TABLE IV-4

Sales meetings costs

City	Lodging (Group Rates) Daily Room Rates Single	Lodging (Group Rates) Daily Room Rates Double	Food And Beverage (Group Rates) Meals (Per Person)	Food And Beverage (Group Rates) Coffee Break With Rolls (Per Person)	Hospitality Functions Hospitality Suite Rental	Hospitality Functions 2-Hr. Reception With Hors d'Oeuvres (Per Person)	Meeting Rooms Median Rental
Detroit, MI	*Low:* Median $51.50 Range $46.00–$59.00 *High:* Median $61.00 Range $50.00–$67.00	*Low:* Median $62.50 Range $56.00–$74.00 *High:* Median $69.50 Range $59.00–$79.00	B—Median $6.35 Range $4.75–$11.60 L—Median $9.85 Range $6.00–$19.65 D—Median $13.80 Range $8.40–$24.20	Median $2.60 Range $2.50–$3.00	Median $150.00 Range $75.00–$300.00	Median $16.15 Range $12.80–$21.70	For 25: $ 62.50 For 50: 75.00 For 75: 100.00 For 100: 150.00
Houston, TX	*Low:* Median $46.00 Range $40.00–$75.00 *High:* Median $56.00 Range $55.00–$90.00	*Low:* Median $56.00 Range $50.00–$95.00 *High:* Median $66.00 Range $65.00–$110.00	B—Median $8.05 Range $6.40–$12.70 L—Median $10.95 Range $8.75–$14.50 D—Median $15.75 Range $12.05–$30.50	Median $3.05 Range $1.75–$3.65	Median $190.00 Range $140.00–$400.00	Median $21.80 Range $19.95–$27.25	For 25: $ 87.50 For 50: 187.50 For 75: 225.00 For 100: 300.00
Indianapolis, IN	*Low:* Median $34.50 Range $28.00–$46.00 *High:* Median $43.00 Range $33.00–$52.00	*Low:* Median $40.00 Range $34.00–$53.00 *High:* Median $50.00 Range $39.00–$59.00	B—Median $6.25 Range $4.10–$7.75 L—Median $7.15 Range $5.95–$11.90 D—Median $12.45 Range $8.35–$19.65	Median $2.10 Range $1.75–$2.70	Median $75.00 Range $35.00–$150.00	Median $14.30 Range $11.90–$18.15	For 25: $ 50.00 For 50: 75.00 For 75: 125.00 For 100: 150.00
Los Angeles, CA	*Low:* Median $52.00 Range $36.00–$62.00 *High:* Median $62.00 Range $42.00–$92.00	*Low:* Median $64.00 Range $40.00–$78.00 *High:* Median $78.00 Range $46.00–$108.00	B—Median $7.25 Range $4.85–$10.30 L—Median $10.50 Range $6.65–$16.35 D—Median $14.50 Range $8.45–$33.90	Median $3.00 Range $1.45–$4.65	Median $150.00 Range $85.00–$750.00	Median $18.15 Range $12.10–$45.40	For 25: $ 75.00 For 50: 112.50 For 75: 150.00 For 100: 250.00
Miami, FL	IN SEASON *Low:* Median $77.50 Range $57.00–$130.00 *High:* Median $90.00 Range $65.00–$130.00	IN SEASON *Low:* Median $85.00 Range $67.00–$130.00 *High:* Median $102.00 Range $75.00–$175.00	YEAR-ROUND B—Median $7.30 Range $5.80–$12.10 L—Median $9.90 Range $5.05–$16.95 D—Median $16.90 Range $14.50–$30.25	Median $2.40 Range $1.95–$3.95	YEAR-ROUND Median $165.00 Range $60.00–$295.00	YEAR-ROUND Median $20.35 Range $14.50–$32.65	YEAR-ROUND For 25: $100.00 For 50: 162.50 For 75: 162.50 For 100: 200.00

OFF SEASON

Single		Double	
Low:	*High:*	*Low:*	*High:*
Median	Median	Median	Median
$57.00	$62.00	$60.00	$75.00
Range	Range	Range	Range
$45.00–$62.00	$50.00–$75.00	$50.00–$75.00	$55.00–$85.00

TABLE IV-4

Sales meetings costs

City	Lodging (Group Rates) Daily Room Rates Single	Lodging (Group Rates) Daily Room Rates Double	Food And Beverage (Group Rates) Meals (Per Person)	Food And Beverage (Group Rates) Coffee Break With Rolls (Per Person)	Hospitality Functions Hospitality Suite Rental	Hospitality Functions 2-Hr. Reception With Hors d'Oeuvres (Per Person)	Meeting Rooms Median Rental
Milwaukee, WI	*Low:* Median $41.00 Range $29.00–$45.00 *High:* Median $48.50 Range $35.00–$60.00	*Low:* Median $52.00 Range $32.00–$61.00 *High:* Median $58.00 Range $37.00–$72.00	B—Median $5.30 Range $3.90–$6.85 L—Median $7.85 Range $5.35–$11.60 D—Median $12.20 Range $7.15–$15.50	Median $2.45 Range $2.15–$3.00	Median $115.00 Range $50.00–$250.00	Median $17.10 Range $13.10–$18.15	For 25: $ 45.00 For 50: 85.00 For 75: 200.00 For 100: 225.00
Minneapolis, MN	*Low:* Median $41.00 Range $38.00–$57.00 *High:* Median $51.00 Range $48.00–$65.00	*Low:* Median $48.00 Range $38.00–$67.00 *High:* Median $58.50 Range $52.00–$75.00	B—Median $5.35 Range $3.25–$10.40 L—Median $7.75 Range $5.25–$13.70 D—Median $12.50 Range $8.35–$22.50	Median $2.45 Range $1.65–$3.30	Median $107.50 Range $70.00–$355.00	Median $14.65 Range $10.70–$26.80	For 25: $ 70.00 For 50: 100.00 For 75: 100.00 For 100: 165.00
New Orleans, LA	*Low:* Median $52.50 Range $45.00–$60.00 *High:* Median $71.00 Range $56.00–$90.00	*Low:* Median $55.00 Range $48.00–$80.00 *High:* Median $85.00 Range $68.00–$110.00	B—Median $6.75 Range $5.45–$10.70 L—Median $11.25 Range $8.50–$16.60 D—Median $19.35 Range $12.10–$30.75	Median $3.20 Range $2.45–$3.65	Median $150.00 Range $90.00–$500.00	Median $18.45 Range $11.80–$27.25	For 25: $ 55.00 For 50: 100.00 For 75: 100.00 For 100: 150.00
New York, NY	*Low:* Median $60.50 Range $55.00–$67.00 *High:* Median $71.00 Range $60.00–$95.00	*Low:* Median $73.50 Range $55.00–$84.00 *High:* Median $86.00 Range $69.00–$103.00	B—Median $7.95 Range $5.00–$13.70 L—Median $16.25 Range $13.70–$18.75 D—Median $23.60 Range $18.75–$34.40	Median $3.05 Range $2.00–$4.05	Median $200.00 Range $100.00–$250.00	Median $22.05 Range $12.50–$36.15	For 25: $100.00 For 50: 162.50 For 75: 270.00 For 100: 325.00
Philadelphia, PA	*Low:* Median $48.00 Range $29.00–$62.00 *High:* Median $54.00 Range $29.00–$68.00	*Low:* Median $56.00 Range $34.00–$70.00 *High:* Median $62.00 Range $34.00–$76.00	B—Median $7.40 Range $6.80–$11.70 L—Median $10.50 Range $7.40–$17.30 D—Median $19.20 Range $11.80–$24.35	Median $3.25 Range $2.15–$4.35	Median $125.00 Range $115.00–$200.00	Median $16.75 Range $12.10–$21.40	For 25: $ 72.50 For 50: 125.00 For 75: 125.00 For 100: 200.00

DEFINITIONS—**Lodging:** Rates are shown for two types of accommodations, economy (low) and premium (high). The median rate is the figure that has an equal number of responses above and below it. Preferred rates are often available if the group guarantees a specific number of rooms. **Food and beverage:** Tax and tips included in median costs. **B**—Breakfast typically includes fruit or juice, entrée, rolls/toast/sweet rolls, and beverage. **L** and **D**—Lunch or dinner typically includes appetizer, salad, entrée, two vegetables or potato and a vegetable, roll, butter, dessert, and beverage. Buffet meals, cold plates, and sandwich menus are often available at approximately the same costs at noon. **Hospitality functions:** Groups are not always charged for a hospitality suite if the hotel provides liquor and hors d'oeuvres. **Meeting rooms:** There is generally no meeting room charge if a specific number of sleeping rooms are required or if a group meal is included with the meeting.

Source: Sales & Marketing Management survey.

TABLE IV-4

Sales meetings costs

City	Lodging (Group Rates) Daily Room Rates Single	Lodging (Group Rates) Daily Room Rates Double	Food And Beverage (Group Rates) Meals (Per Person)	Food And Beverage (Group Rates) Coffee Break With Rolls (Per Person)	Hospitality Functions Hospitality Suite Rental	Hospitality Functions 2-Hr. Reception With Hors d'Oeuvres (Per Person)	Meeting Rooms Median Rental
Pittsburgh, PA	*Low:* Median $45.50 Range $34.00–$60.00 *High:* Median $58.00 Range $39.00–$70.00	*Low:* Median $54.00 Range $42.00–$72.00 *High:* Median $65.00 Range $46.00–$80.00	B—Median $7.85 Range $4.80–$10.90 L—Median $11.00 Range $6.35–$16.35 D—Median $16.35 Range $13.25–$23.30	Median $2.40 Range $1.65–$3.20	Median $75.00 Range $35.00–$125.00	Median $17.25 Range $12.80–$27.25	For 25: $ 55.00 For 50: 100.00 For 75: 125.00 For 100: 150.00
St. Louis, MO	*Low:* Median $52.00 Range $35.00–$58.00 *High:* Median $62.00 Range $38.00–$66.00	*Low:* Median $59.00 Range $41.00–$68.00 *High:* Median $69.00 Range $44.00–$76.00	B—Median $7.20 Range $5.45–$9.50 L—Median $10.25 Range $6.05–$13.10 D—Median $15.30 Range $10.80–$22.10	Median $1.80 Range $1.60–$2.50	Median $150.00 Range $75.00–$350.00	Median $17.90 Range $12.60–$20.70	For 25: $ 75.00 For 50: 125.00 For 75: 175.00 For 100: 200.00
San Diego, CA	*Low:* Median $42.00 Range $35.00–$50.00 *High:* Median $63.00 Range $36.00–$66.00	*Low:* Median $50.00 Range $40.00–$65.00 *High:* Median $70.00 Range $42.00–$81.00	B—Median $7.25 Range $4.85–$11.50 L—Median $10.80 Range $7.20–$18.10 D—Median $16.35 Range $9.70–$31.45	Median $2.50 Range $2.35–$3.75	Median $150.00 Range $95.00–$237.00	Median $18.70 Range $10.90–$27.25	For 25: $ [illegible].00 For 50: 10[illegible].00 For 75: 125.00 For 100: 200.00
San Francisco, CA	*Low:* Median $61.00 Range $48.00–$85.00 *High:* Median $68.00 Range $59.00–$125.00	*Low:* Median $71.00 Range $59.00–$150.00 *High:* Median $74.00 Range $69.00–$145.00	B—Median $7.90 Range $7.00–$10.30 L—Median $11.55 Range $7.90–$16.40 D—Median $20.65 Range $11.30–$31.60	Median $3.05 Range $1.50–$4.75	Median $207.50 Range $65.00–$350.00	Median $24.30 Range $14.50–$32.80	For 25: $ 95.00 For 50: 125.00 For 75: 175.00 For 100: 250.00
Washington, DC	*Low:* Median $65.00 Range $55.00–$85.00 *High:* Median $78.00 Range $63.00–$110.00	*Low:* Median $75.00 Range $65.00–$95.00 *High:* Median $93.00 Range $73.00–$125.00	B—Median $9.60 Range $6.00–$12.40 L—Median $14.25 Range $11.80–$18.60 D—Median $22.30 Range $15.50–$37.20	Median $3.65 Range $3.00–$5.25	Median $225.00 Range $150.00–$400.00	Median $20.45 Range $14.40–$29.75	For 25: $ 75.00 For 50: 125.00 For 75: 165.00 For 100: 225.00

DEFINITIONS—**Lodging:** Rates are shown for two types of accommodations, economy (low) and premium (high). The median rate is the figure that has an equal number of responses above and below it. Preferred rates are often available if the group guarantees a specific number of rooms. **Food and beverage:** Tax and tips included in median costs. **B**—Breakfast typically includes fruit or juice, entrée, rolls/toast/sweet rolls, and beverage. **L** and **D**—Lunch or dinner typically includes appetizer, salad, entrée, two vegetables or potato and a vegetable, roll, butter, dessert, and beverage. Buffet meals, cold plates, and sandwich menus are often available at approximately the same costs at noon. **Hospitality functions:** Groups are not always charged for a hospitality suite if the hotel provides liquor and hors d'oeuvres. **Meeting rooms:** There is generally no meeting room charge if a specific number of sleeping rooms are required or if a group meal is included with the meeting.

Source: Sales & Marketing Management survey.

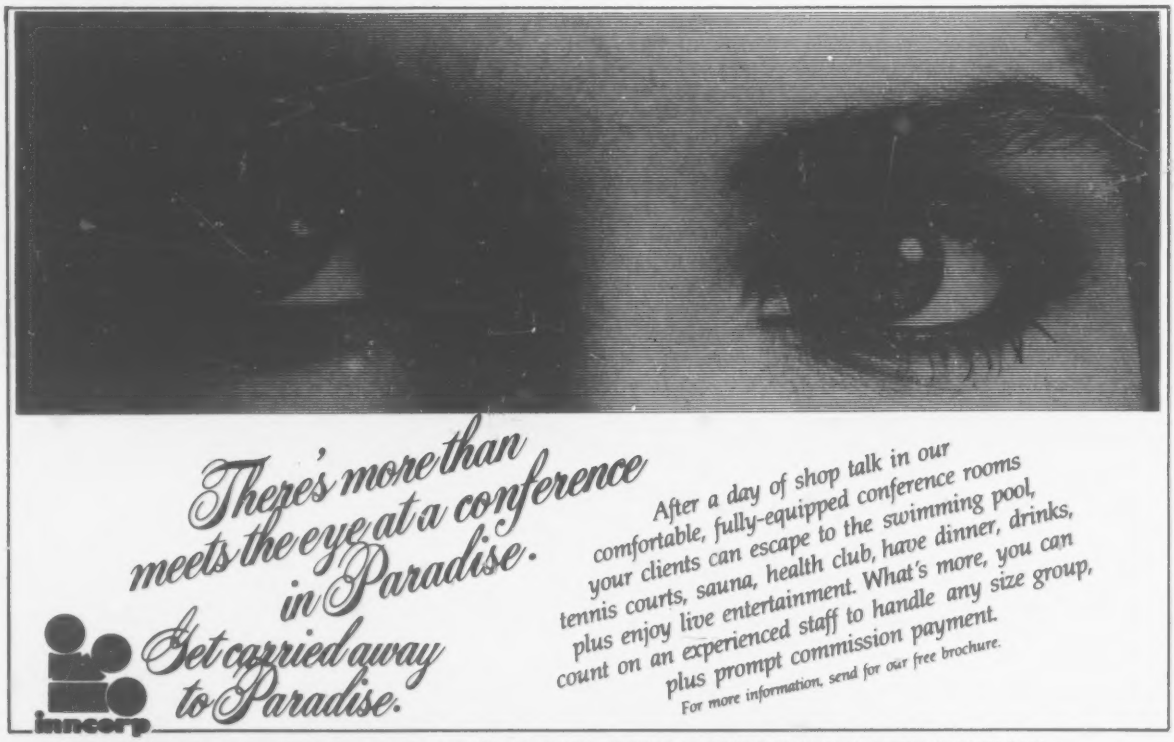
TABLE IV-5

Conference centers: Learning away from it all

Facilities & Rates	**Colonial Williamsburg** *Williamsburg, VA*	**Dodgertown* Conference Ctr.** *Vero Beach, FL*	**Dunfey Hyannis Resort and Conference Ctr.** *Hyannis, MA*	**Harrison Conference Ctr.** *Glen Cove, NY*	**Harrison Conference Ctr.** *Lake Bluff, IL*
Sleeping rooms	600	90	244	133	84
Capacity	800	180	448	224	167
Meeting rooms	26	11	11	20	12
Rate/person/day (double occupancy)	$29–$90	$90–$95	$40	$110	$89
Nearest major airport	Newport News, VA	Melbourne, FL	Logan Int'l, Boston	Kennedy, La Guardia	O'Hare
Driving time from center to airport	20 min.	45 min.	2 hours	45 min.	30 min.
Recreation	9- and 18-hole golf courses, swimming pool (outdoor), 8 tennis courts, tours of Williamsburg	9- and 18-hole golf courses, 2 swimming pools, 4 tennis courts, game room, jogging trails, health club, charter deep-sea-fishing, baseball and athletic fields, basketball and volleyball courts	18-hole par 3 golf course, 2 swimming pools (indoor and outdoor), 2 tennis courts, health spa	Access to 18-hole golf course, 2 swimming pools (outdoor), 2 tennis courts, sauna, bowling/game room, billiards, jogging trail, pitch 'n putt golf course	Access to 18-hole golf course, driving range, heated swimming pool (outdoor), 2 tennis courts, health club, sauna, game room with billiards

*A Harrison Conference Center.

Source: Sales & Marketing Management survey.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Rodeway Inn 296 BURNETT ROAD, CHICOPEE, MASSACHUSETTS 01020 413/592-7751

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TABLE IV-5

Conference centers: Learning away from it all

Facilities & Rates	**Hilton Inn at Inverrary** *Ft. Lauderdale, FL*	**Holiday Inn Executive Conference Ctr.** *Memphis, TN*	**The Houstonian** *Houston, TX*	**National Conference Ctr.** *East Windsor, NJ*	**Woodlands Inn & Country Club** *Woodlands, TX*
Sleeping rooms	207	175	300	200	268
Capacity	400	250	600	350	450
Meeting rooms	12	16	30	32	20
Rate/person/day (double occupancy)	$90	$59	$115	$94	$88
Nearest major airport	Ft. Lauderdale	Memphis International	Houston Intercontinental	Newark	Houston Intercontinental
Driving time from center to airport	20 min.	25 min.	30 min.	40 min.	20 min.
Recreation	Access to three 18-hole golf courses, swimming pool, 30 tennis courts (some lighted), health club, game room	18-hole golf course, swimming pool (outdoor), 2 tennis courts, lounge, game & exercise rooms, fishing, bicycling, hiking & jogging paths/ trails	Access to three 18-hole golf courses, 2 heated swimming pools (outdoor), 5 tennis courts, health club, 8 racquetball courts, jogging trail, basketball courts	Access to five 18-hole golf courses, swimming pool (outdoor), 3 tennis courts (indoor), sauna and weight room, volleyball court, 2 game rooms, deep-sea fishing, jogging	2 PGA golf courses, 24 tennis courts, courses, equestrian center, health club, ice rink, aquatic center, game room

Source: Sales & Marketing Management survey.

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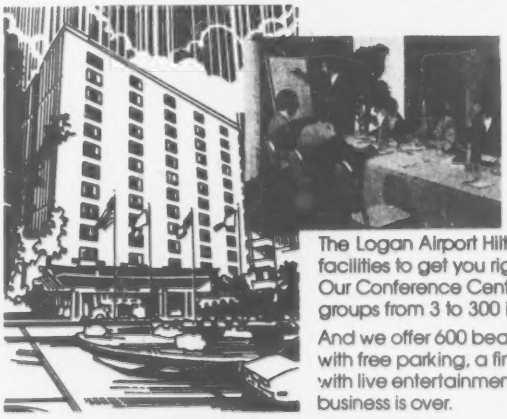

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TABLE IV-6

Selected resort hotels: Combining learning with luxury

Facilities & Rates	**Boca Raton Hotel & Club** *Boca Raton, FL*	**Callaway Gardens** *Pine Mountain, GA*	**Grossinger's Hotel** *Liberty, NY*	**Jack Tar's Grove Park Inn & Country Club** *Asheville, NC*	**Opryland Hotel** *Nashville, TN*
Sleeping rooms	700	345	600	261	615
Meeting rooms	25	25	38	14	24
Average group lodging rates	IN SEASON 1/1–4/30 Single: $130–$185 Double: $155–$210 2/1–3/31 Single: $145–$200 Double: $170–$225 SHOULDER SEASON 5/1–6/25 Single: $100–$160 Double: $125–$185 9/1–9/30 Single: $ 90–$150 Double: $115–$175 10/1–12/24 Single: $105–$170 Double: $130–$195 OFF SEASON 6/26–8/31 Single: $ 80 Double: $ 95	IN SEASON 2/13–3/12 Single: $52 Double: $52 3/13–11/28 Single: $60 Double: $60 OFF SEASON 1/1–2/12 Single: $40 Double: $40	IN SEASON 7/1–8/31 Single: $59 Double: $47/person SHOULDER SEASON 4/20–6/30 Single: $54 Double: $42/person 9/1–10/31 Single: $54 Double: $42/person OFF SEASON 11/1–4/19 Single: $48 Double: $36/person	IN SEASON 10/1–10/31 Single: $56 Double: $60 SHOULDER SEASON 4/1–9/30 11/1–11/15 Single: $52 Double: $56 OFF SEASON 11/16–3/31 Single: $34 Double: $38	IN SEASON 4/1–10/31 Single: $55–$60 Double: $55–$60 SHOULDER SEASON 11/1–3/31 Single: $50–$55 Double: $50–$55
Approximate group meal costs (tax and tip included)	Breakfast and dinner included in rates. Lunch: $12.95–$22.50 No meals served to nonguests.	B $ 5.95 L $ 7,45 D $20.85	Meals included in rates.	B $ 6.55 L $ 8.35 D $22.60	B $ 3.95–$12.90 L $ 9.70–$18.25 D $13.65–$39.20
Recreation:					
Golf	4 18-hole courses	3 18-hole courses 1 9-hole course	3 9-hole courses	1 18-hole course	2 18-hole courses
Swimming	3 pools; beach	1 pool; beach	3 pools (1 indoor)	2 pools	1 pool
Tennis	36 courts	19 courts	16 courts (4 indoor)	8 courts (2 indoor)	6 courts (lighted)
Horseback riding	No	Yes	No	No	Yes
Health club	Yes	Yes	Yes	Yes	No
Sauna	Yes	Yes	Yes	Yes	Yes
Meal plan	Modified and Full American	Modified and Full American	Full American	European, Modified, and Full American	European
Nearest airport	Ft. Lauderdale or West Palm Beach	Atlanta	La Guardia	Asheville, NC	Nashville
Distance/time from airport	22 mi. from either 30 min.	60 mi. 70 min.	90 mi. 105 min.	12 mi. 15 min.	7 mi. 15 min.

	The World of Palm-Aire *Pompano Beach, FL*	Palmas del Mar *Humacao, Puerto Rico*
	215 14	440 9
	IN SEASON 12/14–4/30 Single: $60–$90 Double: $60–$90 OFF SEASON 5/1–12/13 Single: $45–$85 Double: $45–$85	IN SEASON 1/20–3/20 Single: $100 Double: $160 SHOULDER SEASON 12/21–1/19 Single: $ 90 Double: $128 3/21–4/20 Single: $ 90 Double: $128 OFF SEASON 4/21–12/20 Single: $ 50 Double: $ 64
	B $ 5.25–$ 8.60 L $ 7.40–$11.10 D $17.35–$27.30	B $ 7.05 L $ 8.80 D $21.15
	5 18-hole courses 5 pools; (2 indoor); beach 37 courts	1 18-hole course 4 pools; beach 20 courts (4 lighted)
	No	Yes
	Yes Yes	Yes Yes
	European, Modified, and Full American	European and Modified American
	Ft. Lauderdale	San Juan International
	15 mi. 12 min.	40 mi.; 50 min. (15 min. air taxi)

Source: Sales & Marketing Management survey.

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TABLE IV-6

Selected resort hotels: Combining learning with luxury *(continued from previous page)*

Facilities & Rates	**The Pinehurst Hotel And Country Club** *Pinehurst, NC*	**Stouffer's Pine Isle Resort** *Buford, GA*	**Pocono Hershey Resort** *White Haven, PA*	**Rancho Bernardo Inn** *San Diego, CA*	**Sheraton Royal Biscayne Beach Hotel** *Key Biscayne, FL*
Sleeping rooms	550	244	175	151	194
Meeting rooms	17	18	13	8	7
Average group lodging rates	IN SEASON 3/16–5/31 9/1–11/14 Single: $114 Double: $ 77/person MID SEASON 6/1–8/31 Single: $90 Double: $65/person OFF SEASON 1/1–3/15 Single: $58 Double: $40/person 11/15–12/31 Single: $64 Double: $44/person	IN SEASON 4/1–6/30 Single: $ 8 Double: $ 2 7/1–8/31 Single: $64 Double: $68 9/1–10/31 Single: $70 Double: $74 OFF SEASON 11/1–11/15 3/1–3/31 Single: $60 Double: $64 11/16–2/28 Single: $48 Double: $52	IN SEASON 4/28–7/15 Single: $73 Double: $53/person 7/16–9/3 Single: $71 Double: $53/person 9/4–10/24 Single: $73 Double: $53/person OFF SEASON 1/4–4/27 Single: $58 Double: $38/person 10/25–12/20 Single: $61 Double:$41	IN SEASON 1/1–4/19 Single: $85 Double: $85 SHOULDER SEASON 9/1–12/31 Single: $74 Double: $74 OFF SEASON 4/20–8/31 Single: $69 Double: $69	IN SEASON 12/19–4/25 Single: $110 Double: $110 SHOULDER SEASON 4/26–5/30 10/11–12/18 Single: $75 Double: $75 OFF SEASON 5/31–10/10 Single: $50 Double: $50
Approximate group meal costs (tax and tip included)	Breakfast and dinner included in rates. Lunch: $9.50–$11.90	B $ 6.00–$ 8.75 L $ 7.55–$12.40 D $13.20–$24.20	Breakfast and dinner included in rates. Lunch: $4.85–$9.70	B $ 5.55 L $ 8.00 D $24.60	B $ 6.85 L $10.65 D $20.00
Recreation					
Golf	6 18-hole courses	1 18-hole course	1 18-hole course	1 18-hole course	1 18-hole course
Swimming	5 pools (1 indoor); beach	2 pools (1 indoor); beach	2 pools (1 indoor)	2 pools	2 pools; beach
Tennis	24 courts (4 lighted)	7 courts (3 indoor)	4 courts	12 courts	10 courts (lighted)
Horseback riding	Yes	Yes	Yes	Yes	No
Health club	Yes	No	No	No	No
Sauna	Yes	Yes	Yes	Yes	No
Meal plan	Modified American	European, Modified, and Full American	Modified and Full American	European	Modified American
Nearest airport	Fayetteville or private plane to Pinehurst	Atlanta	Scranton-Wilkes-Barre International	San Diego International	Miami
Distance/time from airport	40 mi. 50 min.	56 mi. 70 min.	18 mi. 20 min.	25 mi. 30 min.	18 mi. 20 min.

	AMFAC's Silverado Country Club and Resort *Napa, CA*	Tamiment Resort And Country Club *Tamiment, PA*
	450 13	500 35
	IN SEASON 11/15–3/15 Single: $91 Double: $91 SHOULDER SEASON 3/16–11/14 Single: $98 Double: $98	IN SEASON 4/4–11/11 Single: $70–$80 Double: $45–$55/ person OFF SEASON 11/12–4/3 Single: $60 Double: $35–$45/ person
	B $ 8.40 L $10.60 D $19.30	B $ 4.85 L $ 7.25 D $14.50
	2 18-hole courses 8 pools 20 courts	1 18-hole course 2 pools (1 indoor) 14 courts (4 indoor)
	Yes	Yes
	Yes Yes	Yes Yes
	European, Modified and Full American	Modified American
	Oakland	Allentown (A-B-E)
	50 mi. 50 min.	50 mi. 55 min.

Source: Sales & Marketing Management survey.

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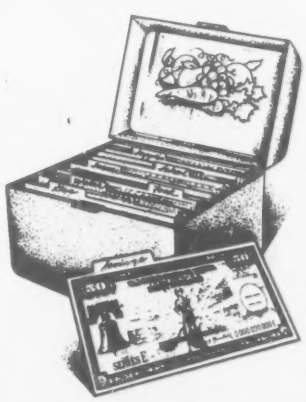

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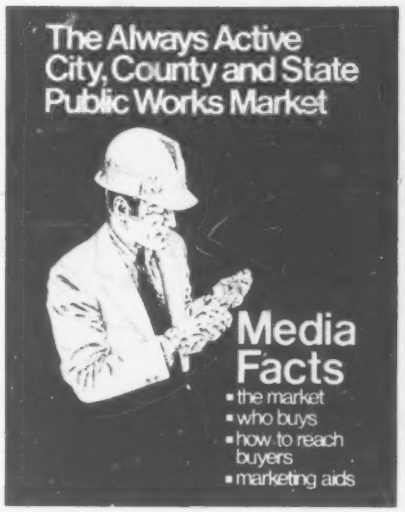
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TABLE IV-7

Selected airport hotels

Facilities & Rates	Atlanta Holiday Inn	Boston Logan Airport Hilton	Chicago O'Hare Hilton	Dallas-Ft. Worth Amfac Hotel & Resort	Denver Sheraton Inn	Detroit Host International
Sleeping rooms	500	559	886	1,450	199	163
Meeting rooms	19	22	53	67	9	10
Average group lodging rates	Single: $38 Double: $40–$46	Single: $57 Double: $73	Single: $60 Double: $75	Single: $55 Double: $65	Single: $41–$53 Double: $49–$61	Single: $54 Double: $59
Approximate group meal rates	B $ 4.75 L $ 7.15 D $ 9.50	B $ 6.80 L $15.25 D $21.95	B $ 7.30 L $12.20 D $18.30	B $ 6.30 L $10.80 D $19.80	B $ 6.10 L $ 9.40 D $14.60	B $ 5.95 L $ 8.95 D $13.70
Distance from airport	¼ mi.	At airport	At airport	At airport	At airport	At airport

Facilities & Rates	Los Angeles Marriott	Miami Ramada Inn Airport	New York Travelodge International	Philadelphia Sheraton Airport Inn	Phoenix Sheraton Airport	St. Louis Airport Marriott
Sleeping rooms	1,019	272	530	333	179	604
Meeting rooms	33	5	11	17	6	43
Average group lodging rates	Single: $60 Double: $70	Single: $59–$64 Double: $69–$74	Single: $[illegible] Double: $60	Single: $62–$69 Double: $70–$79	Single: $40–$45 Double: $47–$52	Single: $55–$67 Double: $65–$77
Approximate group meal rates	B $ 9.40 L $13.60 D $19.95	B $ 4.50 L $ 8.70 D $16.20	B $ 6.55 L $10.65 D $12.50	B $ 7.65 L $13.25 D $19.70	B $ 4.50 L $ 6.00 D $ 9.00	B $ 6.65 L $10.25 D $20.50
Distance from airport	1½ mi.	At entrance	At airport	¼ mi.	At airport	Across the street

TABLE IV-8

Selected budget motel chains

Facilities & Rates	Aberdeen, SD Super Eight Motels	Atlanta, GA Days Inns	Columbus, OH Red Roof Inns	Mt. Vernon, IL Regal 8 Inns	Norfolk, VA Econo-Travel Motor Hotels
Inns in use	88	315	56	52	136
Total rooms	5,467	44,315	5,870	5,071	8,122
Inns being built	12	2	10	2	3
Inns planned	8–12	12	15	2	1
Rates:					
Single room	$18.88	$18.88	$17.95–$22.95	$17.88	$20.00
Double room	$22.88	$21.88	$20.95–$24.95	$20.88	$25.00
3–4 persons	$24.88–$26.88	$25.88–$29.88	$24.95–$26.95	$23.88	$30.00
Facilities & services (available at most units)	Color TV, restaurant	Pool, color TV, gift shop, restaurant, gas service island	Color TV	Color TV, complimentary coffee, pool	Pool, lounge, restaurant, TV
Reservations	Toll-free number	Toll-free number	Toll-free number	Motel will call ahead	Toll-free number

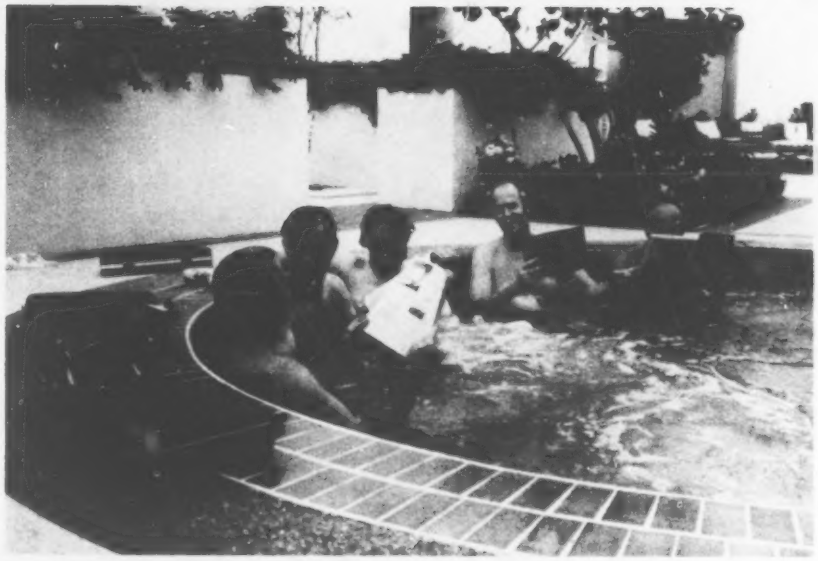
	Houston *Host International*	Kansas City *Hilton Airport Plaza Inn*
	338 19	400 40
	Single: $55 Double: $65	Single: $44–$56 Double: $56–$68
	B $ 6.05 L $10.90 D $16.95	B $ 5.40 L $ 9.00 D $13.80
	At airport	At airport

	San Francisco *Airport Hilton*	Washington, DC *Dulles Marriott Hotel*
	540 35	208 15
	Single: $64 Double: $78	Single: $55–$60 Double: $65–$70
	B $ 7.55 L $12.10 D $16.95	B $ 5.40 L $ 8.40 D $13.20
	At airport	At airport

Source: Sales & Marketing Management Survey.

	Saint Cloud, MN *Thrifty Scot*	Santa Barbara, CA *Motel 6*
	25 2,300 4 10	302 31,994 11 25
	$14.00–$24.00 $17.00–$27.00 $25.90	$11.95 $15.95 $18.95
	Color TV, direct-dial phones, free breakfast	TV, pool
	Toll-free number	Call motel direct

Source: Sales & Marketing Management survey.



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Sales support

TABLE	TITLE
V-1	Audiovisual equipment purchase costs
V-2	Audiovisual equipment rental costs
V-3	Share of sales incentive dollar spent for merchandise and travel
V-4	Sales and dealer incentive ratios by industry
V-5	**Expected 1981 advertising costs: Relief at last**
V-6	Estimated advertising percentages in selected industries

A helpful subject-matter index to all statistical information appears on page 105.

TABLE V-1

Audiovisual equipment purchase costs

Equipment	Purchase Price 1980	Purchase Price 1979	% Change 1979-80
Projectors			
Super 8 mm sound movie	$449–$515	$429–$495	+ 4.3%
16 mm sound movie	1,000–1,190	940–1,103	+ 7.2
35 mm slide	175–429	175–400	+ 5.0
35 mm slide with synchronized tape deck	545–675	275–800	+13.5
Rear-screen 35 mm filmstrip with self-contained synchronized tape deck	365–600	400–600	– 3.5
Opaque	670	550	+21.8
Overhead transparency	220–399	196–750	–34.6
Remote-control silent filmstrip	200	175	+14.3
Tape Recorders			
Cassette	60–365	50–325	+13.3
Reel-to-reel	450-800	350–400	+66.6
Video equipment			
Nonproduction recorders and players			
Black and white	795–1,295	1,050–1,560	–20.0
Color	1,100–2,350	1,150–2,150	+ 4.5
Cameras			
Black and white	400–1,200	610–1,165	– 9.9
Color	895–5,000	995–5,000	– 1.7
Receivers and monitors			
Black and white	335–495	335–495	N.C.
Color	400–1,560	395–1,560	+ 0.3

N.C.—No change.
Note: These are factory-suggested retail prices for typical audiovisual equipment, without optional extras, which can be purchased at corporate as well as at branch sales offices. Significant changes in the price ranges reflect manufacturer changes in product line.
Source: Sales & Marketing Management survey.

TABLE V-2

Audiovisual equipment rental costs

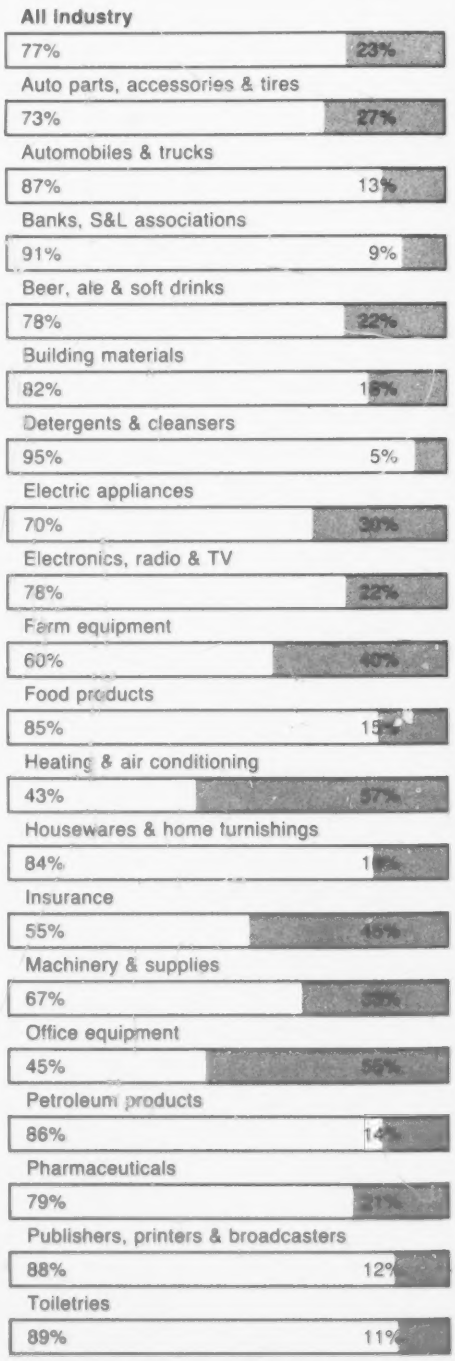
Equipment		Average Rental Rates Daily 1980	Daily 1979	Weekly 1980	Weekly 1979
Projectors					
Super 8 mm sound movie		$18	$18	$ 60	$ 60
16 mm sound movie		25	22	83	70
35 mm slide		18	15	60	50
35 mm slide with synchronized tape deck		35	28	120	93
Rear-screen 35 mm filmstrip with self-contained synchronized tape		34	32	115	108
Opaque		24	20	80	65
Overhead transparency		20	17	68	55
Remote-control silent filmstrip		19	15	66	50
Tape Recorders					
Cassette	mono	14	13	48	38
	stereo	24	17	83	55
Reel-to-reel	mono	16	15	53	45
	stereo	24	22	80	70

Source: Sales & Marketing Management survey.

TABLE V-3

Share of sales incentive dollar spent for merchandise and travel

(Based on total spending of $20 million or more in 1979)



Sources: S&MM calculations; *Incentive Marketing*, a Bill Communications publication.

TABLE V-4

Sales and dealer incentive ratios by industry

Industry	% of 1979 Total Incentive Spending: Sales Incentives	Dealer Incentives
Apparel	30%	17%
Auto parts, accessories & tires	38	46
Automobiles & trucks	49	48
Banks, S&L associations	16	2
Beer, ale & soft drinks	29	14
Building materials	48	36
Detergents & cleansers	31	16
Electric appliances	25	52
Electrical & lighting equipment	28	54
Electronics, radio & TV	47	42
Farm equipment	26	69
Feed, fertilizers & farm supplies	22	39
Food products	10	8
Furniture & floor coverings	21	63
Hardware	31	34
Heating & air conditioning	30	61
Housewares & home furnishings	29	16
Industrial chemicals	25	49
Insurance	71	12
Luggage, jewelry & accessories	42	22
Machinery & supplies	73	15
Office equipment	43	19
Paint & varnishes	32	34
Paper products & packaging	28	22
Petroleum products	26	34
Pharmaceuticals	47	20
Public utilities	34	14
Publishers, printers & broadcasters	46	8
Sporting goods & toys	30	29
Toiletries	37	14
Miscellaneous industries	29	25
Distributors & wholesalers	36	16
Total	**33%**	**26%**

Sources: S&MM calculations; *Incentive Marketing*, a Bill Communications publication.

TABLE V-5

Expected 1981 advertising costs: Relief at last

Media	1972 Base	Index Of Unit Costs 1979	1980	1981	% Rise In Unit Costs 1979–80	1980–81
Network TV	100	224	251	276	12%	10%
Spot TV	100	197	216	233	10	8
Magazines	100	151	165	178	9	8
Newspapers	100	184	200	218	9	9
Radio	100	163	179	192	10	7
Composite	**100**	**192**	**212**	**230**	**10%**	**8%**

Note: Base period has been changed to 1972 so that readers may compare year-to-year change between S&MM's field selling costs index and advertising costs.
Source: Robert J. Coen, senior vice president, McCann-Erickson, Inc.

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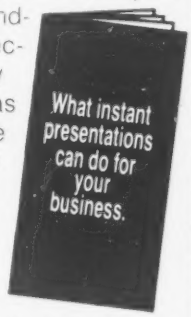

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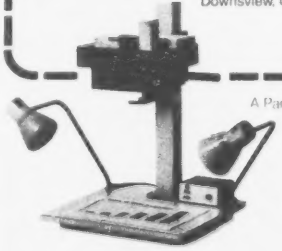

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The accompanying table is based on the fourth annual study of advertising and promotion expenditures of major U.S. corporations and industry sectors. It was performed by Schonfeld & Associates, a Chicago consulting company, and covers 2,500 companies in 179 industry sectors. The raw data for the study were compiled from 10-K reports filed with the Securities and Exchange Commission by publicly owned companies.

Although data are compiled from published financial statements rather than surveys, cautious interpretation is required for several reasons. First, companies may vary in what they include under advertising and promotion expenditures. Second, many large companies are in several fields, yet are listed in only one industry sector. This may result in some distortion because a large-sized subsidiary will not be included in the sector in which it competes. Third, a few large companies are privately held, and their figures are not included.

Copies of the study are available for $250 from Schonfeld & Associates, 120 S. LaSalle St., Chicago, IL 60603.

TABLE V-6

Estimated advertising percentages in selected industries

Industry Sector	*Advertising & Promotion Budget As % Of Net Sales 1979*	*Change in Pct. Points Of Advertising & Promotion 1978–1979*
FOOD PRODUCTS		
Food & kindred products	3.5%	+0.2
Meat products	1.2	N.C.
Dairy products	4.1	+2.4
Canned foods	2.0	−0.3
Flour & other grain mill products	2.0	+0.1
Bakery products	1.5	−0.1
Malt beverages	5.4	+0.3
TOBACCO PRODUCTS		
Cigarettes	6.0	−0.2
Cigars	2.2	−0.1
TEXTILE MILL PRODUCTS		
Textile products	0.6	−0.2
Floor covering mills	2.0	+0.7
APPAREL PRODUCTS		
Apparel & finished products	1.8	+0.1
FURNITURE & FIXTURES		
Household furniture	1.6	−0.1
Office furniture	.9	N.C.
PAPER		
Paper products	.8	−0.1
PRINTING & PUBLISHING		
Publishing	3.0	−1.4
Newspapers	2.0	−0.8
Periodicals	3.5	−0.4
Books	4.9	+0.7
CHEMICALS & ALLIED PRODUCTS		
Chemicals	2.6	+0.7
Industrial inorganic chemicals	2.2	+0.3
Plastics materials & synthetic resins	0.2	−5.4
Ethical drugs	5.6	−0.8
Soap & other detergents	10.2	−0.2
Paints, varnishes & lacquers	1.7	−0.1
PETROLEUM & COAL PRODUCTS		
Petroleum refining	0.7	+0.1
Paving & roofing materials	1.3	+0.3
RUBBER & MISC. PLASTICS PRODUCTS		
Rubber products	1.4	+0.1
Misc. plastic products	3.7	+2.8
Footwear, except rubber	2.3	N.C.
STONE, CLAY, & GLASS PRODUCTS		
Glass containers	4.0	−1.9
Pottery & china	1.9	−0.6
FOUNDRIES		
Blast furnaces	0.2	N.C.
FABRICATED METALS		
Heating equipment & plumbing fixtures	2.4	+1.1
MACHINERY & EQUIPMENT		
Farm & garden machinery & eqpmnt.	2.2%	+1.1
Metalworking equipment	1.2	+0.4
Office computing & accounting machines	1.2	−0.1
Refrigeration & service industry equipment	1.7	−0.1
ELECTRIC & ELECTRONIC EQUIPMENT		
Household appliances	5.5	+1.6
Radio, TV sets & home entertainment	5.7	+1.9
TRANSPORTATION EQUIPMENT		
Automotive vehicles	1.3	−0.3
Travel trailers & campers	1.0	+0.1
INSTRUMENTS & RELATED PRODUCTS		
Optical instruments & lenses	2.1	+0.4
Medical instruments & appliances	1.5	N.C.
Photographic	2.2	+0.3
Watches & clocks	1.6	−0.1
MISC. MANUFACTURING INDUSTRIES		
Jewelry & silverware	4.3	−1.3
Musical instruments	2.6	+0.5
Toys, games & sporting goods	5.3	+0.1
Pens & other writing instruments	4.6	+0.8
COMMUNICATIONS		
Radio-TV broadcasters	2.5	−0.1
CATV companies	1.5	−0.1
WHOLESALING		
Autos & parts	1.2	−0.1
Sporting & recreational goods	2.3	−2.0
Drugs	1.4	−0.5
Food	0.6	N.C.
RETAILING		
Lumber	2.2	−1.0
Department stores	3.0	+0.1
Variety stores	2.1	−0.2
Grocery store chains	1.1	−0.2
Automotive dealers & supplies	1.9	−0.2
Apparel	2.7	+0.1
Women's ready-to-wear	2.5	+0.5
Shoes	2.2	+0.1
Furniture	5.8	N.C.
Household appliances	2.9	−0.6
Restaurants & fast food chains	3.3	+0.4
Mail-order houses	10.7	−2.7
MISC. SERVICE INDUSTRIES		
Hotels & motels	3.0	+0.5
Personal & family services	3.6	+0.6
Motion pictures	4.3	−3.3
Educational services	5.8	−0.5

N.C.—No change.

Source: Schonfeld & Associates.

Transportation

TABLE	TITLE
VI-1	Fleet car operating costs by region
VI-2	**Five-year forecast of fleet car costs**
VI-3	Breakdown of fleet car operating costs
VI-4	Automobile fleet purchase costs
VI-5	Sources of autos used by salespersons in selected industries
VI-6	Air fares for the 25 most travelled routes
VI-7	**Fuel cost and consumption by car size**
VI-8	Auto mileage reimbursement plans
VI-9	Standard and economy car-rental rates
VI-10	Automobile reimbursement plans for selected industries

A helpful subject-matter index to all statistical information appears on page 105.

TABLE VI-1

Fleet car operating costs by region

Regional Code	Running Expenses ¢/mile	Standing Expenses $/Month
1	7.37¢	$183.87
2	7.95	173.91
3	7.44	172.54
4	7.27	175.70
5	7.40	180.64
6	7.23	177.38
7	7.75	180.42
8	8.37	182.14
U.S.	**7.55¢**	**$178.74**

Notes: Running expenses are incurred when a car is being driven, and include gasoline, oil, tires, and maintenance. Standing expenses are incurred whether or not the car is used, and include such fixed costs as insurance and license fees. Data cover leased and company-owned cars and apply to a 6-cylinder Malibu model.
Source: Peterson, Howell & Heather, Inc., Center for Analysis and Research, which maintains a computerized data base on fleet car costs for its clients.

TABLE VI-2

Five-year forecast on fleet car costs

Running Expenses	1980 ¢/mile	1985	% Increase 1980–85
Gasoline	5.96¢	13.51¢	126.7%
Oil	.09	.16	77.8
Maintenance	1.25	2.19	75.2
Tires	.55	1.02	85.5
Total	**7.85¢**	**16.88¢**	**115.0%**

Standing Expenses	1980 $/month	1985	% Increase 1980–85
Interest	$ 54.39	$102.61	88.7%
Depreciation	101.17	147.48	45.8
Insurance, license fees, and related items	60.52	91.16	50.6
Tolls & accidents	45.55	72.58	59.3
Total	**$261.63**	**$413.84**	**58.2%**

Note: Projection is based on a 6-cylinder Malibu-type car, assumes a 12% inflation rate and replacement policy of 55,000 miles or 36 months. Dr. E. W. Lareau, head of the Center for Analysis and Research, also made assumptions on fuel efficiency of cars, cost of money, and other factors.

Data shown are composites for leased and company-owned cars. Forecast is in constant dollars.
Source: Center for Analysis and Research, Peterson, Howell & Heather, Inc., subsidiary of PHH Group.

TABLE VI-3

Breakdown of fleet car operating costs

Running Expenses	1980 ¢/mile	% Change 1979–80
Gasoline	7.54¢	+ 28.0%
Oil	.10	N.C.
Maintenance & repairs	1.21	+ 4.3
Tires & tire repairs	.64	+ 12.3
Total	**9.49¢**	**+ 23.1%**

Standing Expenses	1980 $/month	% Change 1979–80
Provision for depreciation	$130.96	+ 7.4%
Depreciation adjustment	10.01	+370.0
Accident & theft loss	11.16	– 9.5
License & taxes	9.76	– 18.0
Insurance	21.47	– 2.1
Total	**$179.41**	**+ 7.6%**

N.C. No change.
Notes: Components will not add to totals because of exclusion of such items as warranty recovery, accident, and theft expense recovery. Data cover both leased and company-owned cars of all sizes; hence, totals are higher than those shown in Table VI-1.
Source: Peterson, Howell & Heather, Inc., Center for Analysis and Research.

TABLE VI-4

Automobile fleet purchase costs

Model	Fleet Purchase Price: Eight Cylinder 1981	Eight Cylinder 1980	Eight Cylinder % Increase 1980–81	Six-Cylinder 1981	Six-Cylinder 1980	Six-Cylinder % Increase 1980–81
American Motors Concord,[1] four-door sedan	—	—	—	$5,160	$4,400	17.3%
Chevrolet Caprice Classic, two-door sedan	$6,582	$5,404	21.8%	6,518	5,254	24.1
Dodge Diplomat Medallion, four-door sedan	6,666	5,775	15.4	6,613	5,596	18.2
Ford LTD-S, four-door pillared	6,504	5,181	25.5	6,434	5,058	27.2
Mercury Zephyr, four-door sedan	5,658	4,664	21.3	5,616	4,597	22.2
Pontiac Catalina four-door sedan	6,394	5,473	16.8	6,352	5,411	17.4

Note: All prices include only the equipment that the manufacturer considers standard. Freight charges are not included. Fleet purchase prices will vary according to deals worked out by individual buyers and sellers. The basic prices listed above are commonly obtainable when five or more cars are purchased.
[1]Not available as an eight-cylinder model.
Source: Sales & Marketing Management survey.

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TABLE VI-5

Sources of autos used by full-time salespersons in selected industries

Industry	Percent of Companies: Company-Owned	Employee-Owned	Leased
Manufacturing, consumer	37%	14%	49%
Manufacturing, industrial	33	21	46
Drugs & cosmetics	34	17	49
Food & beverage	48	11	41
Chemical & petroleum	52	7	41
Insurance	53	11	36
Public utility	60	8	32
Service	40	21	39
Government	77	7	16

Source: Runzheimer & Co., *1981–82 Runzheimer Survey and Analysis of Business Car Policies & Costs.*

TABLE VI-6

Air fares for the 25 most travelled routes

Rank	From	To	Average Fares: Coach One Way	1st Class One Way	% Change Coach Fare 1979–1980
1.	New York	Washington, DC	$ 70	$ 98	+37.3%
2.	Los Angeles	New York	252	400	−12.5
3.	Boston	New York	64	87	+28.0
4.	Chicago	New York	134	216	+16.5
5.	Los Angeles	San Francisco	63	70	+80.0
6.	New York	San Francisco	280	435	− 6.7
7.	Chicago	Los Angeles	290	361	+33.6
8.	Dallas	Houston	58	95	+ 1.7
9.	Atlanta	New York	130	185	+15.0
10.	Detroit	New York	110	166	+19.6
11.	Boston	Washington, DC	94	114	+23.7
12.	New York	Pittsburgh	98	123	+48.5
13.	Chicago	Minneapolis	82	126	+15.5
14.	Los Angeles	Seattle	136	217	− 1.4
15.	Chicago	Washington, DC	118	187	+21.6
16.	Houston	New York	242	303	+36.7
17.	Dallas	New York	251	314	+37.2
18.	Cleveland	New York	117	152	+44.4
19.	Chicago	Detroit	74	91	+32.1
20.	Buffalo	New York	89	116	+39.1
21.	Chicago	St. Louis	78	99	+32.2
22.	Chicago	San Francisco	313	407	+37.3
23.	Dallas	Los Angeles	216	260	+33.3
24.	Los Angeles	San Diego	42	51	+40.0
25.	Denver	New York	270	334	+29.8
	25-trip average		**$147**	**$200**	**+16.7%**

Note: Round-trip fare is double the one-way fare. Fares are for typical daytime business travel and do not reflect night or other special rates. Fare shown represents the average fare quoted for regular first class and coach fare ranges.
Sources: Civil Aeronautics Board, *Passenger Origin and Destination Survey*; *Official Airline Guide, November 1980.*

TABLE VI-7

Fuel cost and consumption by car size

Category	*1981 Full-Size 8-Cyl (267 CID) Engine*	*1981 Intermediate 6-Cyl (229 CID) Engine*	*1981 Compact 4-Cyl (151 CID) Engine*
Fuel cost and consumption			
Expected miles per gallon	15.0	17.0	20.0
Prevailing gasoline price	131.8¢	131.8¢	131.8¢
Fuel consumption (gallons) @ 20,000 annual business miles	1,333 gal.	1,176 gal.	1,000 gal.
Annual fuel cost @ 20,000 annual business miles	$1,757	$1,550	$1,318
Fixed and operating costs (Annual @ 20,000 business miles)			
Gasoline and oil	$1,780	$1,574	$1,338
Maintenance	286	274	248
Tires	124	112	94
Insurance	790	728	663
License	25	25	25
Depreciation	1,678	1,574	1,494
Total Annual Costs	**$4,683**	**$4,287**	**$3,862**

Notes: Gasoline is the national average price for full serve, name brand stations in January, 1981. Fixed and operating costs based on average midwestern city. Other cost information on any vehicle in any North American location, is available from Runzheimer's Transportation Div., Rochester, WI 53167.
Source: Runzheimer & Co.

TABLE VI-8

Auto mileage reimbursement plans

Allowance Plan	% of Companies: 1980	1979
Single rate mileage allowance		
Under 15¢ per mile	1.0%	6.0%
15¢ per mile	2.0	14.0
16¢ per mile	1.0	3.0
17¢ per mile	4.0	7.0
18¢ per mile	9.0	—
Over 18¢ per mile	8.0	—
Fixed periodic allowance	12.0	15.0
Graduated mileage allowance	7.0	10.0
Combination allowances[1]	13.0	11.0
Automobile standard allowances[2]	43.0	34.0

[1]Typically include allowances per mile plus allowances per week or month.
[2]Includes an allowance per mile plus an allowance per week or month tailored to each territory traveled.
Note: Some yearly differences reflect changes in companies reporting data.
Source: Runzheimer & Co.

TABLE VI-9

Standard and economy car-rental rates

City or Metro Area	Average Standard Rates $ Per Day/ ¢ Per Mile	Economy Rates $ Per Day/ ¢ Per Mile
Northeast		
Albany	$30.00/42¢	$24.95/29¢
Boston	41.00/50	33.95/48
Bridgeport-Stamford Norwalk-Danbury	29.65/39	21.95/21[1]
Buffalo	35.30/48	33.95/30
Hartford	36.00/44	28.95/37
New York	34.00/51	24.00/41
Newark	34.00/50	27.95/35
Philadelphia	35.30/44	32.00/39
Pittsburgh	31.00/38	29.00/36
Providence	34.35/40	23.95/28
Rochester	35.35/48	34.95/20
Average	**$34.18/45¢**	**$28.69/33¢**
Midwest		
Chicago	$36.00/44¢	$31.00/29¢
Cincinnati	31.00/34	28.95/33
Cleveland	33.00/38	31.00/38
Columbus	31.65/33	25.00/30
Dayton	32.65/34	31.00/31
Detroit	28.00/34	25.95/28
Indianapolis	28.00/34	27.00/32
Kansas City, MO	31.00/36	27.95/32
Milwaukee	30.30/33	29.00/30
Minneapolis-St. Paul	32.00/34	22.00/22
Omaha	29.00/31	27.95/30
St. Louis	35.00/38	31.95/35
Toledo	26.30/30	26.00/27
Average	**$31.07/35¢**	**$28.06/32¢**
South		
Atlanta	$39.00/39¢	$30.00/33¢
Baltimore	39.65/44	34.00/30
Birmingham	31.65/38	21.95/25
Greensboro, NC	31.30/35	22.95/25
Houston	33.30/34	32.95/38
Louisville	31.00/34	23.95/27
Memphis	32.00/35	28.00/32
Miami	29.00/31	31.00[2]
Nashville	32.00/35	40.95[2]
New Orleans	34.00/40	31.00/38
Oklahoma City	29.65/32	25.95/27
San Antonio	29.00/35	35.95[2]
Tampa-St. Petersburg	29.00/31	30.00[2]
Washington, DC	39.65/44	25.00/30
Average	**$32.87/36¢**	**$29.55/22¢**
West		
Denver	$33.00/36¢	$34.00/34¢
Los Angeles	29.35/34	39.95[2]
Phoenix	28.65/33	28.00/31
Portland	30.00/35	28.95/33
Sacramento	29.00/35	28.00/33
Salt Lake City	31.15/33	24.95/30
San Diego	28.35/34	28.95/34
San Francisco	29.00/35	28.00/30
San Jose	29.00/35	28.00/30
Seattle	29.00/34	27.95/34
Average	**$29.65/34¢**	**$29.68/29¢**
Canada*		
Calgary	$29.95/15¢	$30.95
Montreal	29.95/18	39.95/10
Ottawa	28.60/13	28.95
Toronto	29.95/18	26.95/15
Vancouver	31.65/16	32.95
Winnipeg	29.30/13	25.95/10
Average	**$29.90/16¢**	**$30.95/N.A.**

*Canadian dollars
[1]Includes 150 free miles.
[2]Includes unlimited mileage.
Canadian rates include from 100 to unlimited kilometers. Where indicated, excess rates shown are per kilometer.
N.A.—Not applicable due to varying rate structures.
Note: Average standard rates are obtained from current Avis, Hertz, and National directories (in Canada, National is affiliated with Tilden); average economy rates obtained from current Budget directory. Rates are applicable to basic sedan such as Fairmont, Citation or Concord and do not include gasoline. Rates shown here are the commonly used nondiscountable "dry rates" (no gas).
Note: When comparing regional average standard and economy rates, allowance must be made for the fact that the latter group's charges in some metro areas may include free mileage from 100 miles to unlimited.
Source: Sales & Marketing Management survey.

TABLE VI-10

Automobile reimbursement plans for selected industries

Allowance Method	Percent of Industry Using Method: Mfg., Consumer	Mfg., Industrial	Drugs & Cosmetics	Food & Beverage	Chemical & Petroleum	Insurance	Public Utility	Service	Government
Combination allowance[1]	—	20%	25%	6%	43%	13%	45%	7%	14%
Automobile standard allowance[2]	61%	46	50	37	43	31	—	31	—
Single-rate mileage allowance	26	21	25	13	—	13	45	41	57
Fixed dollar allowance	8	10	—	31	—	19	—	21	29
Graduated mileage allowance	5	3	—	13	14	24	10	—	—

[1]Typically combines a single-rate allowance per mile and a fixed dollar allowance per week or month.
[2]Includes an allowance per mile plus an allowance per week or month tailored to each territory travelled.

Source: Runzheimer & Co., *Runzheimer 1981–82 Survey and Analysis of Business Car Policies and Costs.*

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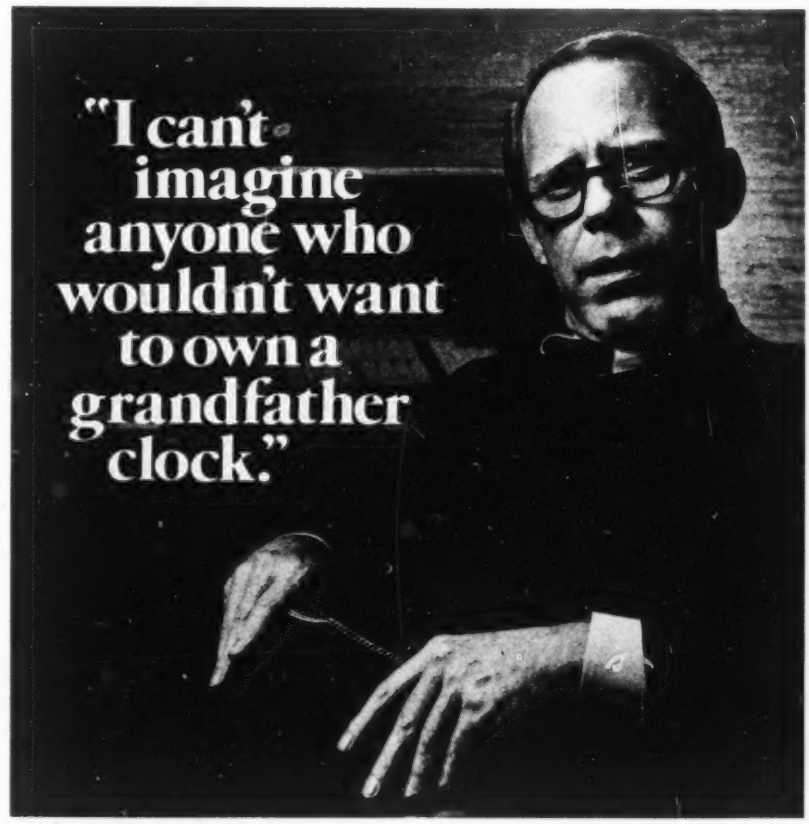

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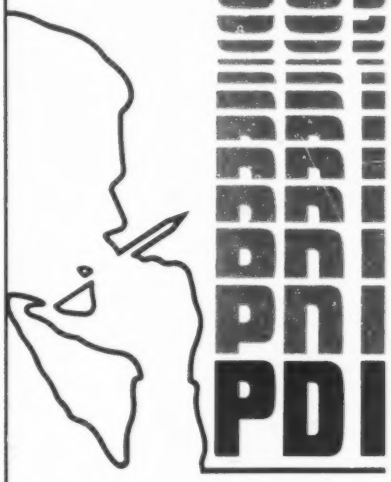

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